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# Strategic planning for a private school: A Case study

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**STRATEGIC PLANNING FOR  
A PRIVATE SCHOOL:  
A CASE STUDY**

by

**Kathleen Eyster Vollmers**

**A project submitted to the  
Faculty of the School of Food, Hotel and Travel Management  
at  
Rochester Institute of Technology  
in partial fulfillment of the requirements  
for the degree  
of Master of Science**

**August 1994**

**ROCHESTER INSTITUTE OF TECHNOLOGY**  
**School of Food, Hotel and Travel Management**  
**Department of Graduate Studies**

**M.S. Hospitality-Tourism Management**  
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8/8/94 \_\_\_\_\_

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# **Abstract**

Park Christian School is a private interdenominational Evangelical Christian School located in Moorhead, Minnesota. During the 1993-94 school year, 321 students were enrolled in grades K through 8 with the majority from Moorhead or Fargo, North Dakota. These children represent about 206 families and 39 area churches.

In the fall of 1993, the School Board authorized a strategic planning process using professional planning facilitators to lead the planning team which would include teachers, members of the School Board, members of the Finance Committee, and parents.

## **A. External environment**

The economy of the region is agricultural-based, while the Fargo-Moorhead economy consists of services, retail and wholesale trade, and government, including four hospital/clinic facilities and four higher education institutions. In comparative terms, in 1990, the service sector generated 31.2 percent of the jobs, compared to 27.7 percent nationally. However, 5.9 percent of jobs were in manufacturing, compared to 14.2 nationwide. This suggests the community has many middle and upper-middle class people who want a quality education for their children.

Incomes in Fargo-Moorhead tend to be relatively low, while the cost of living is relatively high for the region. The economic base suggests that the community contains two groups of families: a relatively sizeable number of higher income individuals in the medical and educational occupations, along with a sizeable number

of lower income people in other occupations. Combining these factors suggests that Park must watch tuition rates to avoid pricing itself out of the reach of some families.

Further insight about the community is revealed by Moorhead High School's graduation rate of 97.3 percent, and 70 percent continuing on to college. And the Moorhead ACT average test score is 21 which is greater than the Minnesota average of 19.7. And Minnesota ranks fourth in the nation for test scores. This suggests that parents in this area are very concerned with the quality education of their children.

Demographic trends show the local population is growing, and is projected to continue growing during the next several decades. During the 1980's, the Cass-Clay MSA's population grew 16.9 percent. Projections are for an additional growth of 6.7 percent during the 1990's. For a variety of reasons, Fargo is growing much faster than Moorhead, and South Fargo is growing faster than North Fargo. The overall growth suggests that the customer base available to Park is growing, and provides significant opportunities for Park to grow. However, the direction of the growth in South Fargo has significant implications because of Park's location in North Moorhead, which is a distance from the population growth.

## **B. Market characteristics**

In 1985, total national elementary enrollments started increasing, and are projected to continue to increase into the next century. Local trends follow the national pattern, and Fargo schools are projecting continued enrollment increase through the year 2000. However, Moorhead enrollment in the early elementary grades is declining. Within this environment, Park's enrollment should remain strong.

In addition to Park, the local elementary school environment consists of the public schools, Catholic School System, Grace Lutheran (K-8), and Oak Grove High School (grades 7 and 8). As the largest private school in the community with 2.3 percent of the total K-8 student enrollment, Park's real competition is from the public schools.

Among the private elementary schools in Fargo-Moorhead, Park's tuition and fees are the highest. Further, most other schools have a two-tier fee structure, with a substantially lower fee for church members. This structure is not available to Park.

Most Park students continue into public High Schools. Therefore, their grade configuration has a substantial impact on Park's grade configuration. Historically, all schools but Fargo North used a middle school, in which grade nine was the first year of High School. For Park, this meant graduates could enter High School with the graduates of the public middle schools, which had social implications because Park students were on "equal footing" in establishing social groups. However, the new Junior High structure in South Fargo has serious implications. Half of the students at Park will now be forced to move from grade 8 at Park into grade 9 in a Junior High. This means they will transfer into pre-existing social structures, which can make their adjustments more difficult.

### **C. Customer profile**

In general, Park serves a very specific target market: The Evangelical Christian community living in Moorhead, Minnesota, and Fargo, and West Fargo, North Dakota, and with children in grades K through 8. During the past four years, enrollment has

grown from 204 in 1989-90 to 318 in 1993-94. Annual growth rates have been twenty, four, twenty, and three percent. This rate of growth has resulted from an (1) excellent product, (2) effective marketing, (3) excellent retention, and (4) a very favorable market.

Presently, Park serves families attending 39 different churches and most denominations in the area. During the past six years, enrollment from the largest church, First Assembly of God, has increased, but because other enrollment has increased even faster, the percent from First Assembly has declined about nine percent from 32 to 23 percent. Further, students from the five churches with the largest enrollment at Park have averaged around 60 percent during the past five years. These churches include First Assembly, Bethel Evangelical Free, Salem Evangelical Free, Triumph Lutheran Brethren, and Evangel Temple during 1988 to 1991-92, and Believer's Fellowship during 1992-93 through 1993-94.

Historically, the majority of Park students were from Moorhead, but in the 1993-94 school year, this was reversed as Fargo, and West Fargo students outnumbered Moorhead students for the first time. While enrollment from Moorhead has continued to climb, enrollment from Fargo has climbed faster.

One need seen by some associated with Park is the expansion of Park into higher grades starting with grade 9. Eventually, their goal is an entire High School. The interviews did not disclose a percentage of people wanting a ninth grade, but it is important to point out that not everyone wants it. Further, the level of intensity varied significantly.

## **D. Internal analysis**

Park is directed by Board members appointed by the eight sponsoring churches. Overall, Park uses a "strong" School Administrator model of management in which the Administrator is instrumental in both guiding daily operations, and in establishing long-term strategies and goals. The School Board currently consists of twelve members serving three-year staggered terms. The Board tends to be a "working" Board and focuses on operational issues rather than on strategy or planning. During the interview process, the Board members identified several areas which they believed need to be addressed including training, role of the Board, Board recruitment, and specialized expertise (to illustrate, legal) on the Board.

The Parent-Teacher Fellowship is currently performing some of its functions very effectively, while others tend to have extremely low parental involvement. It appears that parents face excessive time demands which restrict their participation. At this time, the focus of the PTF needs to be evaluated to allow it to function more effectively.

Each classroom teacher at Park Christian School is certified by the State of Minnesota and/or the State of North Dakota. Their effectiveness is displayed through parents reporting satisfaction with their children's progress academically, spiritually, and socially. Further, standardized academic test results rank Park students extremely high nationally and regionally. However, since the last Strategic Plan, pay increases have not reached stated goals and Park salaries are lower than local public, regional private schools, and ACSI averages.



Park Christian School has one key employee who assumes the dual role of School Administrator and Principal. This individual is regarded by teachers, Board members, pastors, and others as an outstanding Administrator who has contributed significantly to the School's financial and enrollment growth. However, there is also agreement that the current position includes too many responsibilities for one person.

Park has excellent systems which are maintained by the traditional managerial approach to organizational performance, and within this structure, teachers assume a very traditional role. Yet, to become the best Christian school in America, it is essential to empower employees to create excellence.

Overall, the Park facility is relatively new and therefore, it is in relatively good condition. Some normal maintenance, such as carpeting and parking lot improvement, will be ongoing, but there should not be major maintenance projects during the next several years. On-the-other-hand, the facilities are used very intensively, and there is a shortage of space for various needs. Perhaps the most urgent needs are for additional restrooms, expanded gymnasium facilities, and lunch room facilities. In addition, there is a very pressing need for expanded office space. Park is in the middle of Phase II of the capital campaign which will address these needs, and also fund salary increases.

## **E. Finances of Park Christian School**

Overall, in terms of net income, Park was a "breakeven" to slightly profitable operation between 1988-89 and 1993-94. For a non-profit, this is excellent performance.

Tuition increases at Park has exceeded inflation during 1988-89 to 1992-93 by 1.64 percent for first through eight grades while Kindergarten tuition has decreased by 1.69 percent in real dollars.

Teacher salaries have also increased in real dollars. Beginning salaries increased 1.4 percent while salaries of experienced teachers increased 1.1 percent in real dollars. However, salaries in the middle decreased 1.4 in real dollars.

With the advent of the capital campaign in the fall of 1993, the budgeting process has become more uncertain. Predicting the timing of receipt of capital campaign pledges is difficult. It is probable that 1993-94 and 1994-95 will be "strong" financial years with the concurrence and conclusion of Phase I and Phase II of the capital campaign in June 30, 1995.

After June 30, 1995, it is anticipated that many of the stated capital campaign goals will be met. However, dedicated and deferred giving will probably prevent elimination of the entire School debt. Further, another capital campaign will need to be launched to fund the annual operating needs not met by tuition and fees for 1995-96 and future years. Given the transitional state of the development effort, appropriate personnel need to be hired, and effective planning initiated in the near future.

Park's organizational structure includes a Finance Committee, which is a subcommittee of the School Board. The Finance Committee makes input in determining tuition costs, budgets, teacher and staff salaries, and overall financial development goals. Several areas to enhance performance have been identified: (1) overall operations of the Committee, (2) composition of the Finance Committee, (3)

relationship of the Finance Committee to the School Board, and (4) involvement in the budgeting process.

## **F. Strategies**

Based upon the analysis, several strategies were identified. It is essential to recognize that these are simply starting points, and each will be modified to respond to changes and additional information.

1. Finances: The success of Phase I, and the apparent success of Phase II of the capital campaign has created an excellent position for Park. However, starting July 1, 1995, Park will have a gap to fill, a debt which has not been retired, and an inexperienced Development Coordinator. With the potential that many donors are financially exhausted, immediate action is required to get a Development Coordinator hired as soon as possible.
2. Ninth grade: There appears to be substantial support for a ninth grade and some believe that a feasibility study should be conducted during the 1994-95 school year. The consultants do not believe that a feasibility study is warranted at this time, and the ninth grade should be reconsidered during the 2000-01 school year. This issue should be resolved and the decision communicated to everyone to avoid revisiting yearly.
3. Administrative structure: Park has outgrown its organizational structure and the Administrator needs additional supporting personnel to retain the School's overall effectiveness. Rather than making marginal or small adjustments to the current structure, it is recommended that the entire administrative structure be

evaluated. This might include a Principal, but a variety of alternatives should be explored.

4. Board design: Currently, Park utilizes two essential boards, the Finance Committee and the School Board. Both are effective, but members of both also believe that performances of each could be enhanced substantially. It is essential for each to carefully update their mission, develop training, evaluate operating procedures, and develop job descriptions. Improved performance includes review of membership. The Finance Committee should add members who can provide assistance in development because of their existing networks. And the School Board should consider adding specialized expertise such as legal, personnel, planning, etc.
5. Administrative style: Park is a very good school, but to move to even higher levels of performance, Park should use leadership and benchmarking to implement a total quality system which will enhance communications and overall performance. It will be almost impossible to achieve excellence at Park with traditional management.
6. Because of its success, Park faces the dangers of strategic drift which occurs when organizations loses their focus by adding activities which are only semi-related to their mission. When things are going well, everyone has ideas regarding new programs. The key is to evaluate each new idea against the Mission Statement and the cost in dollars and labor, rather than against need.

7. Teacher and staff pay need to be addressed. To achieve progress, we must first establish a realistic benchmark. It is suggested that the ACSI median be used. The second decision is to establish a specific goal. The initial goal should be the ACSI median. Then, the Board should set a long-term goal above ACSI.
8. During the next several years, the geographic shift of the population base in Fargo and Moorhead will have significant impacts on Park. While changes in bussing should solve the problem in the short run, in the long run, Park needs to address this issue.
9. Because Phase II of the capital campaign is currently in progress, specific strategies and timing for facilities cannot be fully developed, but they should be reviewed as the results of the campaign become known. The success of the campaign will determine the strategies which can be implemented. The current facilities are increasing the pressure on teachers because of the crowded conditions, and this should be addressed as soon as possible. In addition, it is essential to upgrade computer facilities for the office staff to maintain their productivity.

# I. Introduction

Park Christian School is a private interdenominational Evangelical Christian School located in Moorhead, Minnesota. During the 1993-94 school year, 321 students were enrolled in grades K through 8. The majority of the students are from homes in either Moorhead, Minnesota, or Fargo, North Dakota, although a variety of nearby communities are also served. These children represent about 206 families and 49 area churches.

Since its inception in 1981, Park Christian School has constantly sought God's will and direction. And towards this end, Park has obeyed the scriptural instructions:

"Any enterprise is built by wise planning, becomes strong through common sense, and profits wonderfully by keeping abreast of the facts." Proverbs 24:3-4 *Living Bible*

"We should make plans--Counting on God to direct us." Proverbs 16:9 *Living Bible*

"Hear counsel and receive instruction, that thou mayest be wise in thy latter end." Proverbs 19:20 *King James*

"A prudent man foresees the difficulties ahead and prepares for them; the simpleton goes blindly on and suffers the consequences." Proverbs 22:3 *Living Bible*

As part of its scriptural planning process, Park Christian School has extensively used both strategic planning and marketing research. In late 1988, an undergraduate team of students from Moorhead State University completed a survey of parents; in May 1989, an MBA student team completed a marketing plan; and in 1991, an undergraduate team updated the marketing plan. In

addition, Park has continually conducted surveys of employees and parents to determine needs and potential.

However, the most comprehensive planning effort took place between October, 1989 and July, 1990. During this period, a Strategic Planning Committee developed a five-year business plan. Part of the effort included substantial primary and secondary research. But by the summer of 1993, many of the goals of the Strategic Plan had already been achieved. The needs of Park Christian School had changed substantially, and it became obvious a new strategic plan was essential. To illustrate, enrollment had increased nearly forty percent during the three year period and the building was fully utilized, containing no room for expansion. A capital campaign had been launched and was well on the way to reaching its goal of \$1,000,000. To prepare the new plan, a Strategic Planning Committee was appointed in the fall of 1993, and a planning process was initiated. Its task was to develop a new strategic plan for Park Christian School.

## II. Methodology

In the fall of 1993, the School Board recommended and authorized that the 1990 Strategic Plan be updated by going through a complete planning process. To complete the task, professional strategic planning facilitators were utilized to lead the planning team which would include teachers, members of the School Board, members of the Finance Committee, and parents. Specifically, the Strategic Planning Committee included the following individuals:

Clyde Vollmers, Facilitator, Professor of Marketing, Moorhead State

Kathy Vollmers, Facilitator, Vice President, Malchiel Marketing

Dave Bender, Teacher, Park Christian School

Marilyn Ellingson, Teacher, Park Christian School

Ruth Korsmo, Management, Korsmo Funeral Home

Karen Nesius, Teacher, Park Christian School

Terry Norton, Administrator, Park Christian School

Bill Schwandt, Manager, Moorhead Public Service

Polly Sivertson, Teacher, Park Christian School

Len Sliwoski, Professor of Accounting, Moorhead State University

Carl Wendelbo, Manager, Precision Machine of North Dakota

During the initial Planning Committee meeting, subcommittees were established and specific tasks were assigned. Each subcommittee included at least one member of the Strategic Planning Committee and other individuals with specific expertise. The committees and members included:



Facilities:

Carl Wendelbo, Chair  
Karen Nesius  
Steve Gehrtz  
Kelsey Olson  
Brent Lee

External environmental:

Bill Schwandt, Chair  
Karen DeMarais  
Marlene Nielsen  
Kathy Randall  
Jennifer Bender

Personnel:

Polly Sivertson, Chair  
Ruth Korsmo  
Dave Bender

Finance:

Jim Larson, Chair  
Sterling Volla  
Len Sliwoski

Educational & TQM

Marilyn Ellingson, Chair  
Lorraine Kahler

Marketing:

Kathy Vollmers, Chair  
Kathy Randall

The overall methodology of this strategic planning process utilized both primary and secondary data collection methods to assess the external and internal environments at Park Christian School. These activities were completed by the subcommittees and other individuals associated with Park. A partial list of specific tasks included in the methodology includes the following:

The external environments were identified, examined and reviewed by the subcommittees using primarily secondary information.

The internal environment, Park Christian School itself, was also examined and reviewed by the subcommittees using both primary and secondary data.

The facilitators interviewed School Administrators from Park to determine operational characteristics.

The pastors of each of the eight sponsoring churches were interviewed by the facilitators.

Each Park teacher and School employee was interviewed individually by the facilitators.

Each of the twelve School Board members were interviewed by the facilitators. In addition, past Board Chairs were also interviewed.

Some of the ten Finance Committee members were interviewed by the facilitators.

The Myers-Briggs Type Indicator was administered to every employee of Park Christian School.

The facilitators interviewed school administrators from similar schools to determine operational characteristics.

Several surveys were administered to teachers or parents.

A computer data base search was conducted to explore the trends within private education.

The strategies recommended in this plan have emerged from the interactions of the individual members of the Strategic Planning Committee. The committee submitted the strategic plan to the teachers and Board for additional feedback, review, and modification.

### **III. Purpose of Planning**

A manager's primary task is planning. However, for planning to impact an organization, it must be part of a formal, systematic, and ongoing process. The key to the successful implementation of this plan is an ongoing planning process which meets regularly to evaluate changes at Park Christian School, or in the environment, and modify the plan accordingly. This is a working document which must be modified in response to new information or the evolution of environment.

This document is not an attempt to make future decisions now, because decisions can only be made in the present. Therefore, future decisions are made at the appropriate future time. And strategies should not be viewed as cast in concrete! Rather, they are fluid and may change in response to changes in either external or internal factors. Planning must be flexible in order to take advantage of new and changing knowledge about our environment.

And lastly, strategic planning does not follow a scientific formula which fits every organization under every circumstance. Each plan and each planning process uniquely utilizes the appropriate portion of the wealth of tools available for planning.

The benefits of strategic planning to Park Christian School are many and a partial listing includes the following:

Planning provides vision and direction to an organization.

Planning helps define the organization by identifying uniqueness and comparative advantages.

Planning also reveals and clarifies future opportunities and threats which provide direction to an organization.

Focuses attention on major issues and prevents getting sidetracked.

Defines customer.

Defines what the organization must do to more effectively service both external and internal customers.

Forces us to set objectives and allows us to manage by facts.

Coordinates everyone's effort towards the same objectives.

And lastly, it is essential to understand the approval process of this plan.

Once the present Strategic Planning Committee has completed its work, the document proceeds to the School Board. The Board has the authority to reject, accept, or modify any strategy and thus, changes are anticipated through Board action.

To summarize, this Strategic Plan is a working document which must be modified regularly if it is to effectively serve Park Christian School.

## **IV. Education Development in the United States**

The development of elementary education in the United States can be divided into four somewhat distinct periods (Beadle, 1985).

### **A. Pre-Revolutionary War schools**

Puritans brought a high regard for education to American. Luther advocated compulsory education for all children. Calvinism required all believers to have an elementary education so they could read the Bible. As a result, grammar or "petty" schools were started by Puritans when the number of families made schools feasible. Schools in the New Netherlands were run by the Dutch Reformed Church. Churches in Pennsylvania, New Jersey, and Delaware also controlled local schools. Many times in rural areas, children were either sent away to church schools or a private tutor was used.

### **B. Pre-Civil War schools**

After the Revolutionary War, academies absorbed the grammar schools. The academies offered a broader curriculum and were controlled by independent trustees, not governmental officials. Usually, the trustees had similar religious beliefs. The academies were open to all faiths, but generally were religious rivals seeking to indoctrinate their students with their beliefs. The academies were partially funded by the "founding fathers" of the locality and often received monies from state assemblies. These academies were the dominant forms of elementary education until the mid-1800's.

## **C. Pre-1960 schools**

The Civil War is usually cited as the dividing line between the end of the academies and the beginning of free public schools. Four factors caused this change:

industrialization and the related urbanization,  
the assumption by the state of direct responsibility for aspects of social welfare,  
the redefinition of the family, and,  
the societal perception of education being a major solution to social problems.

The move to free public education did not mean the demise of private schools. Roman Catholics saw public schools as an extension of Protestantism that had dominated the American society. Thus, by 1860, 200 Catholic schools were founded. By 1870, there were 1,300 and by 1,900 there were 3800 Catholic elementary and 1000 secondary schools. In addition, Protestant groups such as Calvinists, Lutherans, Episcopalians, Quakers, and Dutch Reformed objected to public schools and established their own church schools. However, other Protestant groups, including Baptists, Congregationalists, Presbyterians, and Methodists, accepted the secularized education opportunities and encouraged religious instruction of children at home.

Between the Civil War and the 1960's, public schools became the major form of education and private schools played a significant, but minor, role. At the

peak of the Depression, 8.0 percent of the elementary population was in private schools. In 1960, 13.6 percent of the elementary and secondary school population was enrolled in private schools, with Catholic schools comprising 87 percent of the 13.6 percent.

#### **D. Present day schools**

Total private elementary school enrollment, as a percent from the 1950's to present, has varied little when compared to public school enrollment. Private school enrollment peaked in 1960, at 13.6 percent of total elementary school enrollment, and has stabilized around 11 percent since that point in time. In 1989, the exact figure was 11.7 percent.

However, the constitution of private elementary school enrollment has changed significantly during this period. In 1960, Catholic school enrollment constituted 87 percent of total private school enrollment, with the remaining 13 percent being divided between other religious schools and private non-religious schools. By 1980, Catholic school enrollment dropped to 63 percent of total private school enrollment, with the remaining 37 percent being distributed 21 percent to other religious schools and 16 percent to private non-religious schools. By 1989, Catholic school enrollment dropped to 52 percent of total private school enrollment, with the remaining 48 percent being distributed 34 percent to other religious schools and 14 percent to non-religious schools.

The decline in students attending Catholic elementary schools over the last 30 year period has been attributed to a number of factors including:

views expressed by some Catholic educators that public schools were sufficient,  
decreasing number of Catholics entering the ministry and therefore unavailable to teach at these schools,  
financial difficulties of supporting churches, and  
general demographic trends of decreasing students during this time period.

The non-Catholic private schools which have a religious orientation can be classified in a number of different manners. One of the most common classifications is denominational schools versus independent Christian schools, sometimes referred to as Fundamentalist, Pentecostal or Evangelical Christian schools. There are several religious denominations that have established elementary schools including: Judaism, Lutherans, Episcopalians, Seventh Day Adventists, etc. Enrollment in these institutions has been basically stable over the last 30 year period (Dill, 1987).

Independent Christian schools, historically, have been quite numerous in the East, and in recent years have spread throughout the country. Independent Christian schools generally have higher tuition than denominational church schools, many times are smaller, and share the view that the Bible is the inspired revelation of God, and believe to attain eternal salvation a "born again" experience is necessary. Independent Christian schools have grown rapidly over the past 30 year period. Ceyor and Hunt make this observation (1984):



Not only do these schools currently constitute the most rapidly expanding segment of formal education in the United States, but they also represent the first widespread secession from the public school pattern since the establishment of Catholic Schools in the nineteenth century.

Many writers have suggested that nineteenth century public schools, with Bible reading, prayer, and McGuffey readers, supported a non-denominational Evangelical Protestant faith, which was also a civic faith. Since the later part of the twentieth century, society has moved from many traditional values and public elementary education has moved accordingly. In many cases, Evangelical Christians believe the exclusion of Christian values and perspectives from public education is untenable and has, in essence, created a de facto new religion called secular humanism. Perceived societal and related elementary school trends have spawned the bulk of many independent Christian schools.

## **E. Professional organizations**

There are many differences among independent Christian schools in terms of particular beliefs, organizational structure, church affiliations, size, funding patterns, etc. Many are very independent-minded and do not belong to any central Christian scholastic association. However, most of these schools belong to one of the three major Christian scholastic associations:

The largest association is the **Association of Christian Schools**

**International**, based in Boulder, Colorado. In 1994, this organization had 2,801 member schools with total enrollment of approximately 463,868 students.

The **American Association of Christian Schools**, located in Jacksonville, Florida, has 1,000 member schools and approximately 160,000 students.

**Christian Schools International**, Grand Rapids, Michigan represents Calvinist schools and in 1994, had 340 member schools and 71,000 students in the US.

## **V. Background of Park Christian School**

### **A. History of Park Christian School**

Park Christian School was founded in May, 1981, through the cooperative efforts of Bethel Evangelical Free Church, Daystar School and Central Christian School. It was their vision to offer a quality, Christian interdenominational education to students of the Fargo-Moorhead area.

Park Christian School started with 103 students in 1981. It was housed in the former Park School building, a public facility which was closed. Significant growth occurred during the first three years, and the number of students doubled to 203 by 1985. This growth demanded a larger facility, and the current property was purchased in 1985.

Renovation was necessary in the newly purchased property, and several financial problems arose. Parents and dedicated friends stood strong together, worked hard and with God's help, Phase One of the renovation was partially completed in December of 1985, and financial disaster was averted. As Park Christian School moved forward, new policies were put in place to help assure stronger financial management.

Students, faculty, and staff joyfully moved into their new facility. By fall of 1986, Phase One of the renovation was complete, but the School's debt exceeded \$1.2 million. In the years since, God has helped us, through generous friends and careful stewardship, to reduce that debt to just \$275,000 in 1994.

But during this period, enrollment grew slowly. In the fall of 1984, there were 203 students and by the fall of 1990 there were 231, which is just under a fourteen percent growth during a six year period, or about two percent per year.

Therefore, in the fall of 1990, strategic planning was initiated to develop strategies for increasing enrollment, as well as general vision for the School.

As strategies were implemented, Park began to enjoy blessings in increased enrollment. During this period, the number of students increased from 231 in 1990, to 318 in the fall of 1993, an increase of 38 percent, or about thirteen percent per year.

In the fall of 1992, Park Christian School started a three-year capital campaign designed to raise \$1,000,000 for debt reduction and School improvements. Within 18 months, the goal had been reached, and a Phase II capital campaign was started to provide for expansion of the School building. The goal of the second phase is \$600,000.

## **B. Park's Mission Statement**

As an interdenominational Evangelical Christian School, we provide high quality, affordable education which impacts the whole child--body, mind and spirit. Our mission is to reinforce the values and morals taught in the Christian home and church while providing a high-quality Christian education. Our certified teachers are Christians who represent Godly living and principles in everything they do.

## **C. Park's Philosophy**

Our philosophy concurs with scriptural teaching that education is the ministry given to parents for the purpose of instructing and developing character in their children (Deuteronomy 6:4-9). We are here to help Christian parents bring up their children in "the discipline and instruction of the Lord" (Ephesians 4:6). Our emphasis is on instruction and character development.

We are concerned, then, not only with a child's intellectual training, but also with character development. We train our students in traditional Judeo-Christian values and attitudes through a Christ-centered curriculum of the highest academic quality.

## **D. Park's Vision Statement**

We aim to become the best Christian school in America, providing academic training of exceptional quality within an environment that nurtures Christian values, morals, ethics, character, and a strong Christian world view.

Such an education equips children with essential academic skills plus a Christian value system. Both of these are foundations for a life of service to God, family, and community.

The Fargo-Moorhead area is uniquely endowed with all the resources needed for accomplishing this goal.

## **VI. External Environment**

The external environment includes those factors influencing an organization from outside, beyond the control of the organization. In some cases, external environmental factors threaten an organization, forcing it to respond by changing its strategy. The external environment also creates opportunities which can be pursued.

### **A. Economic environment**

Park Christian School serves the twin communities of Fargo, North Dakota, and Moorhead, Minnesota, as well as the surrounding areas. Cass County, North Dakota, and Clay County, Minnesota, comprise a Metropolitan Statistical Area (MSA) containing 153,296 people (U.S. Census, 1990). These communities are a regional economic center serving Northwestern Minnesota and most of North Dakota. They are situated in the rich, fertile, Red River Valley of the North.

**1. Economic base:** Overall, North Dakota and Northwest Minnesota are an agricultural-based economy which has a significant impact on employment and economic activity in the Fargo-Moorhead community. However, a review of Table 1 reveals that services, retail and wholesale trade, and government comprise the largest economic sectors. Specifically, the services which drive the two county MSA are education and medical services (see Table 2). These types of employers comprise the six largest and nine of the largest eleven employers. The area has

Table 1: Employment by economic sector in Fargo-Moorhead (June 1993)		
Economic sector	Fargo employment	Moorhead employment
Services	18,159	3,255
Retail and wholesale trade	16,764	3,701
Government	6,993	2,764
Manufacturing	5,190	1,528
Finance, insurance, and real estate	4,281	361
Transportation, utilities, and communications	3,484	216
Unemployment rate	2.7%	4.8%

Source: Job Service of North Dakota, Labor Market Advisor (June 1993).  
Let's Get to the Point, Moorhead Economic Development Authority.

Table 2: Major employers in Fargo-Moorhead	
Name of organization	Employees
North Dakota State University	3,500
MeritCare Hospital	1,580
MeritCare Medical Group	1,300
Fargo Public Schools	1,018
Blue Cross Blue Shield of North Dakota	1,015
Dakota Hospital	811
Shooting Star Casino	810
Moorhead School District	740
Northern Improvement Company	700
VA Medical and Regional Office Center	670
Dakota Clinic, Ltd	630
Moorhead State University	615
Great Plains Software, Inc.	600
Heartland Medical Center	598
City of Fargo	494
American Crystal Sugar Company	450
Concordia College	450
Air National Guard	434
U S West Communications	415
U.S. Post Office	400
Metropolitan Federal Bank, FSB	381
Norwest Bank ND, N.A. Fargo	376
U. S. Postal Service	373
Border States Electric Supply	340
The Forum	300
Eventide Lutheran home	300
Federal Beef	250

Source: Compiled from 1994 Fargo Community Profile, Fargo Chamber of Commerce, and Let's Get to the Point, Moorhead Economic Development Authority, 1993.



four hospital/clinic facilities and four higher education institutions. Other major types of businesses providing service throughout the region include financial services, banking, and legal. And wholesale distribution of a wide variety of goods occurs from warehouses located in Fargo.

In comparative terms, in 1990, the service sector generated 31.2 percent of the jobs, compared to 27.7 percent nationally. However, 5.9 percent of jobs were in manufacturing, compared to 14.2 nationwide. This suggests the community has many middle and upper-middle class people who want a quality education for their children.

The labor force of the MSA is 91,430. Its unemployment rate of 3.4% is about half of the national average (see Table 1). The relatively low unemployment rate is an advantage for Park Christian School because of the family income implications.

**2. MSA income:** Incomes in Fargo-Moorhead tend to be relatively low, while the cost of living is relatively high for the region. Table 3 compares this community to "cousin" communities in the region. Table 3 reveals that average incomes in Fargo-Moorhead are about average compared to the other six communities. However, hourly wages in manufacturing are the second lowest, suggesting that the community contains two groups of families: a relatively sizeable number of higher income individuals in the medical and educational occupations, along with a sizeable number of lower income people in other

Table 3: Income and cost of living in Fargo-Moorhead and comparable cities			
Community	Per capita income	Cost of living as percentage of US	Manufacturing earnings (hourly)
Fargo-Moorhead	\$15,935	102.8	9.44
St. Cloud	\$14,153	95.3	10.94
Duluth-Superior	\$15,819		12.09
Sioux Falls	\$18,037	95.1	9.15
Lincoln	\$17,918	89.6	12.10
Dubuque	\$15,730	99.6	12.62
Ceder Rapids	\$18,202	99.2	15.67
U.S. average	\$18,714	100	
Seven-city average			11.72

Source: Patrick Springer, The Forum, March 6, 1994

occupations. Combining these factors suggests that Park must watch tuition rates to avoid pricing itself out of the reach of some families.

Further, 47 percent of the households have incomes of less than \$25,000 (see Table 4). While the amount of sacrifice a family is able or willing to make to send their children to private school varies substantially, incomes lower than \$25,000 will require substantial sacrifice. This has implications for both scholarships and tuition levels.

While regional figures can be misleading when applied locally, they can provide insight. Rural Minnesota, including Moorhead, has a poorer economy relative to the seven county Minneapolis-St. Paul MSA. Fargo has a better economy than the rest of North Dakota. Given these limitations, the data in Table 5 reveals that North Dakota compares unfavorably with national statistics, as it has low income levels and high poverty rates. Minnesota compares favorably with national means, as Minnesota's average income exceeds national averages and it is below average for poverty rate. However, has fewer families with incomes exceeding \$75,000.

Between 1980, and 1990, Cass County lost ground in comparative family income with the rest of the nation. Local incomes grew, but slower than other regions. In the Cass-Clay MSA, real growth in income was 9.3 percent during the 1980's, while the population grew 11.5 percent. The number of people living in poverty in the MSA increased 50 percent. The number of AFDC families grew 56

Table 4: Household income in 1989 for Fargo-Moorhead Metropolitan Statistical Area		
Income level	Percent of households	Number of people
Less than \$10,000	16.9	24,964
\$10,000 14,999	10.7	15,797
\$15,000 24,999	19.5	28,728
\$25,000 34,999	17.7	26,020
\$35,000 49,999	18.3	26,896
\$50,000 or more	16.9	24,933

Source: U.S. Census 1990

Table 5: Income and poverty status in 1989 by state			
Region	Median family income	Percent at \$75,000 or more	Percent below poverty
North Dakota	\$28,707	3.5	14.4
Minnesota	\$36,916	8.1	10.2
United States	\$35,225	9.5	13.1

Source: U.S. Census 1990

percent in Cass and 37 percent in Clay County. And the number receiving food stamps increased 76 percent in Cass and 42 percent in Clay County. In 1980, 27.1 percent of the families had incomes of \$15,860 or less (in 1990 dollars). This number had swelled to 29.3 percent in 1990. The greatest decrease occurred in the middle income, where 44.5 percent of the families had incomes between \$15,861 and \$39,653 in 1980, compared to 41.1 percent in 1990. (U.S. Census)

**3. Economic outlook:** In general, the local economy is expected to continue to grow at a steady two to four percent rate. Because of the relatively high service and retail/wholesale combined with the relatively low manufacturing base, the local economy is impacted more by the agricultural economy than the national economy, but as the economy diversifies, faster growth is possible. Agricultural processors such as Crystal Sugar, Federal Beef, and Anheuser-Bush, and farm equipment manufacturing such as Case-IH and Concord continue to provide jobs. And the growth of firms such as Great Plains Software has created diversification into the high technologies industries.

## **B. Government and regulation environment**

Government vouchers are presently receiving significant discussion. While there is significant opposition to having vouchers available for both private and public schools, it appears that this could occur. The existing performance of public schools suggest that the public may become accepting of using public money for private schools.

In California, voters defeated Proposition 174 in the 1992 election. This amendment would have given \$2,600.00 vouchers to all students, allowing them choice between public and private schools. Similar laws were also defeated in Oregon and Washington. It is thought that the bill will be reintroduced by Gary S. Becher.

New guidelines are impacting implementation of Title VII of Civil Rights Act of 1964. These guidelines being proposed cover harassment based on race, color, religion, gender, national origin, age, or disabilities. These guidelines could affect hiring in parochial schools.

Federal Bill HR6 limits subjects taught, and proposes that teacher be licensed with a major in subject areas taught. While initially, Christian schools and home schools are not affected, administrative decisions could significantly alter this policy in the future.

A modification to the G.I. Bill proposes that private schools be included as alternatives for participants.

On February 8, 1994, the Minnesota State Board of Education approved and sent to the legislature a plan designed to look at desegregation. It states that all schools with 30 or more students of color will be required to develop plans to increase the performance level of said students. Moorhead has an increasing number of students of color. Under the rules, increases in state aid will go to develop plans and education diversity rule will be part of the plans. Every district in State of Minnesota will be required to develop plans to incorporate into the

curriculum material that stresses contributions of men/women of all races, cultures, and abilities.

Further, the State Board of Education is proposing that magnet schools, which will specialize in one area, be created. Children/families would be able to choose which to attend.

Goals 2000, sponsored by the Clinton administration, will promote management- taking decisions, giving power to federal office and away from state and local agencies.

Parental Rights legislation has been sponsored by Senator Charles Grassley (Iowa).

The US Senate approved an amendment denying federal funds to any state agencies or public schools that ban voluntary student prayer.

Public Finance Quarterly, July, 1992, states that policies that reduce choice among public school districts within metro areas result in greater secular private school enrollment. It also reported that limitations on revenue increases in local taxing districts are likely to increase private school enrollments.

In Kansas City, federal judges ordered schools to be equal and accessible in 1986. The result was an experiment using \$1.2 billion to up-grade inner city schools. The specific mandates were class sizes of no more than 25, new facilities and theme schools, desegregation including buses and taxis, and increased teacher salaries. The end results, based upon testing in 1993, showed student

achievements still below national average. The consensus was that the emphasis was put on environment rather than teaching.

School consolidation has been mandated by law in Minnesota. Thus, in the future, schools will be bigger, and many students will travel further.

A June 18, 1993, court decision in *Zorbreast vs. Catalina Foothills School District* found that public schools must treat disabled children wishing to attend Christian schools exactly the same as they treat children wishing to attend other private secular schools. There can be no discrimination allowed based on the religious character of the school.

### **C. Technological environment**

Technology is already reshaping education. Before children enter the formal school system, new technology is offering them more opportunities than ever to learn at home. With interactive software designed to stimulate their natural curiosity, preschoolers quickly learn the alphabet, and to identify words with pictures. As children progress at their own rate, programs that teach reading, writing, art, math, and reasoning skills are available. Other programs offer the opportunity to develop choice-making skills that deal with the social, economic and political issues found in real life. Dealing with the consequences of those choices, plus added random negative events, add up to a touch of reality.

Replacing the old home bookcase full of encyclopedias, dictionary, thesaurus, and an atlas will be CD Rom disks, alive with animation and sound.



During the next ten years, technology will transform the American classroom. They will more closely resemble large office areas where desks sport computer equipment for each student, replacing the lab down the hall. Schools will become more custodial. "Parents will want to choose schools whose values match their own," says *The Economist* magazine. Their concern will be for the total well-being of their child.

Quiet rooms, where teachers once controlled the drill and practice exercises, will be replaced with exciting interactive learning. Teachers will become directors of learning who will incorporate interactive video teaching, networking, CD Rom and multimedia PC's. Knowledge on any subject will be available at our fingertips from authorities on the subject. Virtual reality technology will allow students seeking to learn a foreign language to be placed in the midst of the culture where the language would be spoken with the correct accent.

Many education experts see the interactive multimedia software with graphics, sound and video as a key technology to revamp American education because it attracts and holds the interest of kids while teaching them. Interactive software has been found to be able to speed learning 30-50 percent over conventional methods. Even critics agree that the interactivity stimulates learning and will play an important role in the classroom.

Individualized instruction is a major bonus of this technology. It can teach anyone, anything, at any time they desire to pursue it, allowing those with a short attention span better opportunities to learn when they are able. It can more

economically provide individual instruction to the gifted, remedial, and average student that will allow them to work to their potential.

By identifying the students' level of competence at the beginning of programs, the appropriate level of material can be introduced to best stimulate the learning for that individual. One computer company has found that remedial education is the most available market for interactive learning systems at this point. Government programs fund these projects, allowing for the cost of the equipment needed. It will be slower coming to the whole classroom because of the cost.

Because students learn differently, it makes sense to offer ways to make the process less frustrating. In addition to verbal learning styles, many children learn more visually or auditorially, or both. For those children, multimedia education will provide a richer learning environment. Computers can help children be empowered to be more responsible for their own learning.

But to be successful, the computers and software must be incorporated into the classroom curriculum. Some of the problems associated with incorporation include the cost of the equipment, resistance from established education, and redesigning the basic educational system.

A former chairman of Josten's Learning predicts that the ability to have a direct home-school connection, with interactive programming that is attractive to kids, will make a profound difference in American education.

The information superhighway will pave the way for making interactive instructional programming available to all schools. Local colleges have already assigned task forces to look into it.

Now under consideration in Washington, D.C. is a regulation requiring cable TV and local phone companies to wire public schools with high speed communication lines and provide universal interactive TV service to families that can't afford cable hook-up. This would finally equalize opportunities for poor children to receive a quality education. Small schools can offer subjects through interactive TV that are presently prohibited because of costs or lack of qualified instructors. Private schools, like Park Christian School, may have to pay for access to the multimedia system. The information superhighway could create a huge demand for interactive education!

SENDIT, a telecommunication network available in North Dakota is presently utilized by 89% of the North Dakota schools. This is a cost-effective method to bring a wide variety of resources into all schools, connecting them to educators worldwide. As more rural schools are forced to consolidate, it will be more valuable.

## **D. Social, cultural, and demographic trends**

**1. Social cultural factors:** Further insight about the local community can be gained from the high school graduation rate and test scores in Moorhead. Moorhead High School graduation rate is 97.3 percent, and 70 percent continue on to college. And the Moorhead ACT average test score is 21. This is greater

than the Minnesota average of 19.7. And Minnesota ranks fourth in the nation for test scores (Moorhead Public Schools Administrative Office). This again suggests that parents in this area are very concerned with the quality education of their children.

On-the-other-hand, research from the National Association of Independent Schools reveals that 36 percent of all families sending their children to private schools earn less than \$50,000 per year. Since the average family income is well below \$50,000, this suggests that private schools are much more accessible to wealthier families. A national survey completed in February, 1993, indicated that more than a third of the parents polled would send their children to private schools if they could afford it. And as families leave Park Christian School, the number one reason they give is financial considerations. Therefore, the increase in poverty has significant implications for Park. With relatively high tuition, the overall reduction in standard of living may potentially price Park out of the reach of more and more families over time.

While the number of students attending Minnesota non-public schools in 1992-93 increased by 978 students to 81,631 from the previous year, the long-term trend is a downward trend in non-public school enrollment. In 1991-92, non-public enrollment approached its all time low, with 9.4 percent of the Minnesota student population (Minnesota Department of Education, 1994). The bulk of the decline is in Catholic-affiliated schools, while other or non-affiliated enrollment has grown. In 1964-65, Catholic-affiliated schools accounted for 88.1 of non-

public enrollment, while in 1992-93, it comprised 62.2 percent. The other and non-affiliated schools enrolled 30,862 students during the 1992-93 school year.

Home schooling has also increased within Minnesota (Minnesota Department of Education, 1994). In 1987-88, 2,322 students were home schooled compared to 6,149 in 1992-93. The threat to Park is that home schooling represented 19.9 percent of the enrollment of other and non-affiliated schools. In 1987-88, home schooling represented only 7.7 percent. This rapid increase could have long-term implications.

At the national level, an increase in students attending private schools was also observed, and the trend is projected to continue. As of 1993, 11 percent of the total school population is enrolled in private elementary and high schools. Minnesota is lower, with 9.4 percent, reflecting both an opportunity to achieve national market shares and much stronger competition from public schools in Minnesota.

**2. Demographic trends:** The populations of Fargo-Moorhead, and the surrounding areas are growing, and are projected to continue growing during the next several decades (see Table 6). During the 1980's, the Cass-Clay MSA's population grew 16.9 percent. Projections are for an additional growth of 6.7 percent during the 1990's. For a variety of reasons, Fargo is growing much faster than Moorhead, and South Fargo is growing faster than North Fargo. The overall growth suggests that the customer base available to Park is growing, and provides significant opportunities for Park to grow. However, the direction of the growth

in South Fargo has significant implications because of Park's location in North Moorhead, which is a distance from the population growth.

Table 6: Population of Fargo-Moorhead 1960 through 1990			
Year	Fargo population	Moorhead population	SMA population
1970	53,365	29,687	120,261
1980	61,383	29,998	137,594
1990	74,111	32,295	153,295

Source: U.S. Census

Housing growth is also substantial in both communities. Moorhead added 142 homes in 1993, while Fargo added 600. These are supplemented by the 940 apartment units which were also added. 1994 promises to be another good year for housing growth.

Further, the communities have a relatively young population with the average age in Moorhead of 25.7, while the Minnesota average age was 32.5. In Fargo, the average age was about 30. Further, 38 percent of the area's population is between 18 and 35 years old. A major contributing influence is that the community is home to over 23,000 students at local universities and colleges. These provide contradictory impacts for Park. The young population suggests that there are many young families. On-the-other-hand, the college students are not really residents and are unlikely to utilize the services of Park Christian School.

While the population of the MSA is growing, the growth hides significant outmigration. Between 1980 and 1990, Cass County had net outmigration in most age categories. Clearly, the exception is the net immigration of the late teens and early 20's.

However, the community is also 95.5 percent white, which presents challenges to Park. While a homogeneous population may reduce interpersonal conflicts, it is extremely difficult to provide students an exposure to the culturally diverse society into which they are likely to move someday.

**3. Children at risk:** As the consultants interviewed Park teachers, and visited with other educators, an emerging trend in American education was revealed. There is a significant increase in the number of "children at risk." There is neither agreement on the definition of the term, nor who to include as "at risk," but some generalities can be suggested. This group of students has been called "special needs" as well as "at risk." Further, they exhibit many different problems including, but not limited to:

- Attention deficit disorder

- Attention deficit hyperactivity disorder

- Behavior disorder

- Slower development

- Educational behavior disorder

- Physically handicapped

- Severely handicapped

- \* Intellectually disadvantaged

- \* Emotionally disadvantaged

- \* Birth defects

There appears to be general agreement that the number of students with some type of difficulty is increasing at Park and in public schools. However, there is substantial disagreement and uncertainty on the causes of the increase.

Clearly, part of the increase in the number of students with the problems is the improvement in the capability to diagnose problems. However, this does not explain the increase in classroom problems experienced by teachers over the past decade.

Many believe that there also appears to be some culturally influenced factors such as the increase in single parent homes, and more latch key kids.



## VII. Market Characteristics

### A. National market size and trends

Total enrollment in elementary schools peaked in 1970. Between 1970, and 1984, enrollment declined fifteen percent. Starting in 1985, enrollments started increasing, and are projected to continue to increase into the next century.

Private elementary school enrollment also peaked in 1970, but it does not follow the total enrollment pattern. Private enrollments fell until 1979, they reversed in 1980. During the 1980's, and through 1992, enrollments fluctuated. Future projections are for increased enrollment in private schools by the year 2000.

Since 1960, enrollments in Catholic elementary schools declined significantly, non-Catholic church sponsored schools remained relatively constant, and independent Christian schools increased significantly. Specific projections for independent Christian schools are not compiled. However, in the 1965-66 school year, 83,700 students enrolled in a category of schools called other church-related schools. These include religious schools sponsored by other than Roman Catholic, Lutheran, Seventh Day Adventist, Baptist, Jewish, Episcopalian, Methodist, Presbyterian and Friends. By the 1978-79 school year, enrollment had grown to 281,200 students (National Center for Educational Statistics, 1981). By the 1985-86 school year, it reached 660,000 students (Dill, 1987).

Table 7: Total, public, and private enrollment in grades K-8 in the US, 1975 to 2000

Year	Total enrollment	Public enrollment	Private enrollment
1975	34,187	30,487	3,700
1976	33,831	30,006	3,825
1977	33,133	29,336	3,797
1978	32,060	28,328	3,732
1979	31,631	27,931	3,700
1980	31,669	27,677	3,992
1981	31,370	27,270	4,100
1982	31,358	27,158	4,200
1983	31,294	26,979	4,315
1984	31,201	26,901	4,300
1985	31,225	27,030	4,195
1986	31,535	27,419	4,116
1987	32,162	27,930	4,232
1988	32,537	28,501	4,036
1989	33,309	29,147	4,162
1990	33,973	29,878	4,095
1991	34,544	30,470	4,074
1992	35,031	30,819	4,212
1993 <sup>1</sup>	35,727	31,447	4,280
1995 <sup>1</sup>	36,668	32,275	4,393
2000 <sup>1</sup>	39,129	34,441	4,688

1. Estimates

Source: Digest of Educational Statistics, 1993.

## **B. Local market size and trends**

In addition to Park, the local elementary school environment consists of the public schools, Catholic School System, Grace Lutheran (K-8), and Oak Grove High School (grades 7 and 8). As the largest private school in the community, Park's real competition comes from the public schools. Therefore, the market potential for Park is derived from the market potential for the public schools.

As displayed in Table 8, actual enrollment in Moorhead public schools increased 43 percent between 1985-86 and 1993-94. This has contributed to the significant enrollment increase enjoyed by Park. However, during the next five years, enrollment in Moorhead public schools is projected to increase only three percent. Kindergarten (K), the leading indicator of school enrollment, exhibits even more negative forecasts. Enrollment in grade K is projected to reach a maximum in the 1994-95 school year, with a 2.6 percent increase over 1993-94. After 1994-95, K enrollment is projected to drop by nearly 10 percent through the 1998-99 school year.

Fargo projections are displayed in Tables 9, 10, and 11. Fargo public school enrollments have climbed steadily for the past decade and projections are for continued growth through the 2000-01 school year. Between the 1985-86 and 1993-94 school years, Fargo schools grew 33 percent, and are expected to grow an additional 14 percent through 2000-01. However, Fargo's school growth is not balanced within the City. In 1985-86, the Southside schools enrolled 53 percent of all Fargo students. During each year since, the Southside has enjoyed a one

percent larger market share, and by the 1993-94 school year, it had 62 percent. Projections are for this trend to stabilize, but housing developments suggests that the projections may not be correct. South Fargo growth affects North Fargo busing at Park because the North Fargo route has to cover more of the South Fargo route, lengthening the time children are on the bus. Within Fargo, Kindergarten enrollment has fluctuated, although the overall trend is upward. The projections to the year 2000 suggest growth of 23 percent in North Fargo, and 28 percent in South Fargo.

Based upon national and local elementary school enrollment projections, and based upon the fact that there are approximately 6,000 individuals who attended Evangelical churches in the Fargo-Moorhead area (Vollmers, 1989), maintaining, and possibly increasing, enrollment at Park Christian School appears probable.

Table 8: Actual past and projected future enrollment in Moorhead public schools for 1988-89 through 1997-98														
Grade level	School year													
	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99
K	434	495	465	463	474	493	492	499	490	501	472	446	461	450
1	361	423	472	460	467	516	496	496	491	501	512	482	456	471
2	368	396	425	457	448	491	502	507	507	499	509	521	491	463
3	336	375	413	438	463	485	495	499	521	521	513	524	535	504
4	331	354	369	410	431	488	475	488	489	521	521	513	523	535
5	327	332	355	381	416	441	497	485	503	500	533	533	525	536
6	290	333	348	371	381	423	442	493	481	503	501	533	534	526
7	308	306	339	361	376	409	444	470	521	504	528	525	559	559
8	361	302	309	345	370	387	429	450	459	529	512	535	533	567
Total	3116	3316	3495	3686	3826	4133	4272	4387	4462	4579	4601	4612	4617	4611

Source: Moorhead Public School Administrative Office

Source: Moorhead Public School Administrative Office

Table 9: Actual past and projected future enrollment in Fargo public schools for 1988-89 through 1997-98																	
Grade level	School year																
	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	
K	841	893	919	901	908	975	924	893	851	983	1052	1021	1034	1047	1060	1074	
1	740	820	862	926	944	940	1001	967	935	939	989	1059	1027	1040	1054	1067	
2	689	727	758	815	858	877	885	942	924	920	884	931	997	967	980	992	
3	677	685	714	773	813	845	865	896	937	903	909	873	920	985	955	968	
4	615	706	695	735	770	844	845	871	899	942	933	939	901	950	1017	986	
5	627	646	706	697	733	777	850	879	868	913	953	944	950	912	961	1029	
6	579	632	649	706	703	732	760	866	862	908	917	957	947	953	915	965	
7	586	586	639	659	716	724	737	801	856	901	924	932	973	963	969	931	
8	600	582	604	643	668	723	735	745	766	881	910	933	942	983	973	980	
Total	5954	6277	6546	6855	7113	7437	7602	7860	7898	8290	8471	8589	8691	8800	8884	8992	

Source: Fargo Public School Administrative Office

Source: Fargo Public School Administrative Office

Table 10: Actual past and projected future enrollment in Southside Fargo public schools for 1988-89 through 1997-98

Grade level	School year															
	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
K	468	525	555	553	536	572	556	533	500	587	628	610	617	625	633	641
1	433	452	489	564	605	591	602	617	603	569	600	642	623	631	639	647
2	342	425	446	455	517	541	553	560	583	559	536	565	605	587	594	602
3	357	348	406	431	479	519	536	556	563	554	558	536	564	604	586	594
4	319	377	350	415	444	493	524	526	566	566	570	571	551	581	621	603
5	331	334	379	350	426	465	500	545	522	587	580	584	589	565	595	637
6	306	335	330	385	352	426	460	511	536	573	589	583	587	591	567	598
7	302	317	344	351	405	375	433	490	512	577	600	618	611	616	620	595
8	320	294	332	352	370	413	384	439	483	545	590	615	632	626	630	635
Total	3178	3407	3631	3856	4134	4395	4548	4777	4868	5117	5251	5324	5379	5426	5485	5552

Source: Fargo Public School Administrative Office

Table 11: Actual past and projected future enrollment in Northside Fargo public schools for 1988-89 through 1997-98

Grade level	School year															
	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
K	373	368	364	348	372	403	368	360	351	396	424	411	417	422	427	433
1	307	368	373	362	339	349	399	350	332	369	389	416	404	409	414	419
2	347	302	312	360	341	336	332	382	341	364	349	368	394	382	387	392
3	320	337	308	312	334	326	330	340	374	352	355	340	359	384	372	377
4	296	329	345	320	326	351	321	345	333	378	365	368	353	372	398	386
5	296	312	327	347	307	312	350	334	346	332	376	363	366	351	370	396
6	273	297	319	321	351	306	300	355	326	339	333	377	364	367	352	371
7	284	269	295	308	311	349	304	311	344	331	333	327	370	357	360	346
8	280	288	272	291	298	310	351	306	293	342	329	331	325	369	356	358
Total	2776	2870	2915	2969	2979	3042	3055	3083	3040	3203	3253	3301	3352	3413	3436	3478

Source: Fargo Public School Administrative Office

## **VIII. Competitive Product Offerings**

Within Fargo-Moorhead, the public schools have the largest market share. However, other private schools also serve the communities, including the Fargo Catholic School System, St. Joseph Catholic School in Moorhead, and Grace Lutheran in Fargo. In addition, Oak Grove Lutheran in Fargo is a High School which also offers grades 7 and 8.

### **A. Market shares**

Table 12 displays the market share for each school in Fargo-Moorhead for the 1993-94 school year. Overall, Park's enrollment of 318 in one building is larger than the enrollment in any other private school building, and it also comprises 2.3 percent of the total Fargo-Moorhead enrollment. However, as a system, the Fargo Catholic School System is the largest private school, and has 5.0 percent of the market. Clearly, the public schools dominate the market with about 90.2 percent of the K-8 student population. An interesting aside is that Grace has an enrollment of 139, but has 44 enrolled in their pre-Kindergarten.

### **B. Competitive prices**

Among the private elementary schools in Fargo-Moorhead, Park's tuition and fees are the highest. The data in Table 13 reveals the costs for sending one child, a first grader, to the specified private school. In comparing the fees, most other schools have a two-tier fee structure, with a substantially lower fee for

Table 12: Market share of Fargo-Moorhead schools based upon 1993-94 enrollments			
School system	Competitive grades offered	Enrollment in K-8	Market share of Fargo-Moorhead market
Grace Lutheran	Pre-K-8	139	1.0
Fargo Catholic School System	Holy Spirit K-5 Nativity K-5 St. Anthony 6-8 Total	170 281 <u>247</u> 698	5.0
St Joseph Catholic	K-6	160	1.2
Park Christian	K-8	318	2.3
Oak Grove	7-8	44	0.3
Fargo Public	K-8	7,898	57.1
Moorhead Public	K-8	4579	33.1
Total		13,836	100.0

Source: Administrative Offices of school specified

Table 13: Tuition costs for 1994-95 at private schools in Fargo-Moorhead		
School system	Registration, books, and student fees.	Tuition for one child in grade 1
Grace Lutheran	\$100	\$1,600 for non-members \$640 for members
Fargo Catholic School System	\$50	\$1,696 for non-members \$1,025 for members 5 1/4% of gross family income is maximum
St Joseph Catholic	\$20 \$16 student fee	\$2,000 for non-member \$800 for member
Park Christian	\$60 \$80 books	\$2,082
Oak Grove	\$40 plus books \$25 student fee	\$1,900 (grades 7 and 8)

Source: Administrative Offices of specified school



church members. To illustrate, Grace gives members of Grace Lutheran Church a 60 percent reduction. The schools with tuition closest to Park are St. Joseph, which charges \$2,000 for non-members and Oak Grove which charges \$1,900. Compared to Fargo Catholic School System and Grace, Park is about \$400 to \$500 above the price charged to non-members.

However, compared to tuition charged to church members, Park's fees are about double the fees charged by the Catholic School System in Fargo and are more than triple fees charged by Grace Lutheran. These schools have two substantial price advantages:

They have much lower building costs because they have depreciated buildings which were built directly by the churches, and some costs, such as heat and lights, are probably provided in many cases.

They receive substantial subsidies from their congregation.

And lastly, Park also has the highest registration and book fee at \$140.

### **C. Grade offerings of competitors**

While the public schools are competitors of Park, they also are the destination for the vast majority of Park graduates. Therefore, their grade configuration has a substantial impact on Park's grade configuration. Historically, Moorhead, West Fargo, and South Fargo used a middle school concept in which grade nine was the first year of High School (see Tables 14 and 15). North Fargo was the exception with its grade 7 through 9 Junior High school. For Park, this meant that a grades K through 8 format worked extremely effectively because the

Park grade 8 graduate could enter high school with the graduates of the public middle schools. This had significant social implications for the Park students because they were on "equal footing" in establishing new social groups.

However, the new Junior High school structure in South Fargo has serious implications for Park. Half of the students at Park will now be forced to move from grade 8 at Park into grade 9 in a Junior High. This means they will transfer into pre-existing social structures which will make their adjustments more difficult.

Table 14: Grade levels used in Fargo Public School systems	
North Fargo	South Fargo (1994 and beyond)
Elementary grades K-6	Elementary grades K-5
Junior High grades 7-9	Upper elementary grades 6-7
	Junior High grades 8-9
Senior High grades 10-12	Senior High grades 10-12

Source: Fargo Public School Administrative Offices

Table 15: Grade levels used in Moorhead and West Fargo Public School systems	
Moorhead Public Schools	West Fargo Public Schools
Elementary grades K-4	Elementary K-5
Upper elementary grades 5-6	
Junior High grades 7-8	Middle school grades 6-8
High School grades 9-12	High School grades 9-12

Source: Moorhead and West Fargo Public Schools Administrative Offices

## **IX. Customer Profile**

### **A. Target market**

Currently, Park serves a diverse market as families from a wide variety of churches drive as far as 60 miles one way for their children to attend the School. But in spite of this diverse customer base, Park serves a very specific target market: The Evangelical Christian community living in Moorhead, Minnesota, and Fargo, and West Fargo, North Dakota, and with children in grades K through 8.

### **B. Usage by customers**

As displayed in Table 16, during the past four years, enrollment at Park has grown substantially from 204 students in the 1989-90 enrollment to 318 in 1993-94. Annual growth rates have been twenty, four, twenty, and three percent. This rate of growth has resulted from an excellent product, effective marketing, excellent retention, and a very favorable market.

When planning was last conducted, enrollment was 204, which was an increase of one student during a six year period. The concerns were lack of enrollment growth and excess capacity in the building. Now, the concern has changed, and Park must manage enrollment and focus on balancing the School's capacity in each grade level with the demand. Variations in demand create excess capacity, or empty seats, in some grades, and waiting lists in others. Looking back, Park has enjoyed two periods of substantial growth during 1982-83 through 1984-85, and 1990-91 through 1992-93. During the present school year,

enrollment increased about three percent. Early projections for the 1994-95 school year are for in excess of a ten percent increase.

There are a number of important factors contributing to the overall growth. A review of Table 16 reveals that the 1986-87 Kindergarten class had 41 students, which was the largest to that date. Since, there have been some years with smaller classes, but there have been no "bad" recruitment years.

In addition, retention has also improved significantly. At this time, five classes have started grade K, and graduated from Park. As displayed in Table 17, the retention rate has steadily climbed from about 40 percent to near 70 percent. The impact on a class of forty is significant. Thirty percent higher retention results in 12 more eighth graders. As the school matures, retention should remain relatively high and potentially could increase.

In conclusion, the growth at Park has resulted from a wide variety of factors. In looking to the future, it is essential to continue focusing on the needs of the Park parent and student to insure that they get what they want for their tuition dollars.

### **C. Characteristics of Park families**

Based upon Park's enrollment in the 1993-94 Directory and Handbook, the profile of families is identified in Table 18. Because of pricing discounts, the size of the family has implications on the total revenue. The number of single parent and blended families may not be completely accurate since the data was derived from the directory.

Table 16: Enrollment for Park Christian School for 1981-82 through 1993-94														
Grade level	School year													
	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	
K	20	34	37	33	34	41	32	28	32	37	38	48	43	
1	19	18	35	35	33	29	37	26	32	37	32	43	42	
2	13	25	15	35	31	31	31	34	25	36	36	42	42	
3	9	17	26	18	33	24	28	25	30	25	34	37	37	
4	13	12	14	29	18	29	20	23	23	35	24	35	40	
5	7	17	12	14	25	15	27	18	21	26	35	28	32	
6	12	13	18	13	17	22	9	21	18	19	26	37	29	
7	5	10	11	15	10	14	19	7	15	20	13	28	30	
8	5	5	5	11	12	4	10	18	8	14	21	12	23	
Total	103	151	173	203	213	209	213	200	204	249	259	310	318	
Percent change		+47	+15	+17	+5	-2	+2	-6	+3	+20	+4	+20	+3	

Table 17: Retention percentage of Park Christian School		
Year started Kindergarten	Year graduated from 8th grade	Retention percentage
81-82	89-90	40
82-83	90-89	41
83-84	91-92	57
84-85	92-93	36
85-86	93-94	68

Table 18: Profile of families sending children to Park Christian School	
Demographic variable	Number
Students at Park	319
Families at Park	205
Number of families with	
one child	107
two children	84
three children	12
four children	2
Single parent or blended families	16
Children from single parent or blended families	20

## **D. Distribution of demand among churches**

The 80-20 rule has guided marketers for many years. It is a rule of thumb suggesting that a few key customers (20 percent) will purchase the bulk of any organization's products (80 percent). Generally, these accounts provide the sales (or for Park, the children) to sustain the business' overall operations of the organization and to create a critical mass to generate overall economies of scale.

For Park Christian School, it is essential to have a base of churches which support the School with strong and regular enrollment. To illustrate, word-of-mouth is a critical factor in promoting the School, and parents will visit with others in their church to gather information regarding perceptions of Park. On-the-other-hand, Park does not want to be dependent on only a few churches. Table 19 displays the 80-20 rule for Park Christian School. In general, dependency on the largest customer, First Assembly of God, has declined about ten percent during the past six years. But the decline has resulted from positive reasons. Student numbers from First Assembly have increased during this period, but the overall increase in students has grown even faster.

Further, students from the five churches with the largest enrollment at Park have averaged around 60 percent during the past five years. These churches include First Assembly, Bethel Evangelical Free, Salem Evangelical Free, Triumph Lutheran Brethren, and Evangel Temple during 1988 to 1991-92, and believers Fellowship during 1992-93 through 1993-94. Considering the community, five key



Table 19: Applications of 80-20 rule to customer base

School year	Share of church with most students	Share of five churches with most students	Percent of churches to create 80 percent of students
1988-89	32	68	36
1989-90	28	59	42
1990-91	29	57	41
1991-92	27	61	34
1992-93	22	60	33
1993-94	23	62	31

Table 20: Number of churches represented by Park Christian School students

Year	Churches represented	New churches	Churches lost
1988-89	25		
1989-90	31	8	2
1990-91	34	4	1
1991-92	38	10	6
1992-93	42	8	4
1993-94	39	2	5

accounts are a reasonable number. Perhaps, one concern is that the churches comprising the five key accounts six years ago are not the same five churches representing key accounts today. While not a major concern, the market share from each church should be reviewed to establish the cause of the change. It may be a lack of children of a certain age. But if there is a perceived problem, it needs to be resolved. As the number of churches represented at Park increase, the percent required to generate 80 percent of sales appears to be gradually dropping. Overall, this distribution of sales is strong.

To provide for continued growth and avoid dependency on a few churches, Park should be striving to expand the number of churches represented among the student body. During the past six years, Park has expanded the number represented from 25 to 39 (see Table 20). Based upon the community and differences in theology, it will be difficult to expand much beyond this number of church representation.

A concern is the churches no longer represented by students at Park. During the six year period, 32 new churches are represented, while 18 have been lost. Considering that a K-8 education takes nine years, this is substantial turnover of churches. While Park keeps careful records of why families leave, it will be insightful to examine the families which have chosen to attend Park and then drop out after one year. Is it also possible that the large number of students from some of the churches also conceals turnover which is too high?

Table 21 identifies the number of students from each church for a six year period. One expects some changes in student numbers because of changing demographic profiles of individual churches. However, the patterns of individual churches create concern that there may be some minor problems within specific congregations. To illustrate, Bethel has fewer students represented today than six years ago, and enrollment declined by nearly a third in the past year. Is this the result of the demographic profile of Bethel? On-the-other-hand, some churches have shown substantial growth. Triumph Lutheran Brethren, Salem Evangelical, Believers Fellowship, Brookdale Baptist, and Community Baptist are some of the congregations which have shown substantial growth.

### **E. Geographic demand**

Historically, the majority of Park students were from Moorhead, but in the 1993-94 school year, this was reversed as Fargo and West Fargo students outnumbered Moorhead students for the first time (see Table 23). While enrollment from Moorhead has continued to climb, enrollment from Fargo has climbed faster. During the past eight years, Moorhead enrollment has increased from 103 to 151. Fargo and West Fargo enrollment has grown from about 87 to 158. Within Fargo, North Fargo has increased nearly 180 percent.

A second critical issue is enrollment Park is capturing from supplemental markets: Those communities outside of Fargo-Moorhead (see Table 24). In 1993-94, 19 students were from rural Minnesota, rural North Dakota or West Fargo. While they comprise six percent of the student population at Park, they are

Table 21: The church home of students attending Park Christian School

Church	1988-89		1989-90		1990-91		1991-92		1992-93		1993-94	
	#	%	#	%	#	%	#	%	#	%	#	%
First Assembly	64	32	52	28.4	57	29	69	27	67	22	71	23
Bethel Evangelical Free	29	15	22	12	17	8.6	22	8.7	34	11	24	7.9
Triumph Lutheran Brethren	16	8.1	7	3.83	9	4.6	20	7.9	28	9.1	40	13
Salem Evangelical Free	15	7.6	16	8.74	17	8.6	30	12	40	13	40	13
Evangel Temple	10	5.1	10	5.46	13	6.6	15	5.9	14	4.5	12	3.9
Word & Faith Fellowship	0	0	0	0	0	0	6	2.4	3	1	3	1
Moorhead Evangelical Free	7	3.5	8	4.37	10	5.1	11	4.3	10	3.2	11	3.6
Meadow Ridge Bible	5	2.5	5	2.73	5	2.5	3	1.2	5	1.6	5	1.6
Believers Fellowship	2	1	7	3.83	9	4.6	12	4.7	16	5.2	15	4.9
Christian Fellowship Church	2	1	2	1.09	1	0.5	1	0.4	0	0	0	0
Knollbrook Covenant	2	1	2	1.09	2	1	2	0.8	3	1	0	0
Red River Alliance	0	0	0	0	0	0	4	1.6	5	1.6	1	0.3
St Paul's Free Lutheran	2	1	4	2.19	4	2	3	1.2	0	0	2	0.7
Mission Bautista Buen	1	0.5	1	0.55	1	0.5	1	0.4	1	0.3	1	0.3
Brookdale Baptist	5	2.5	5	2.73	6	3	4	1.6	8	2.6	10	3.3
Grace Baptist	4	2	2	1.09	2	1	3	1.2	3	1	1	0.3
Temple Baptist	4	2	3	1.64	3	1.5	4	1.6	4	1.3	1	0.3
Community Baptist	3	1.5	3	1.64	2	1	5	2	7	2.3	7	2.3
Olivet Lutheran	6	3	3	1.64	3	1.5	2	0.8	2	0.6	4	1.3
Trinity Lutheran	3	1.5	2	1.09	2	1	2	0.8	4	1.3	3	1
Bethlehem Lutheran	2	1	2	1.09	2	1	2	0.8	1	0.3	0	0
Calvary United Methodist	2	1	1	0.55	1	0.5	1	0.4	1	0.3	1	0.3
First Lutheran Church	1	0.5	0	0	0	0	0	0	2	0.6	0	0
First United Methodist	1	0.5	3	1.64	4	2	0	0	4	1.3	4	1.3
Liberty Lutheran Brethren	0	0	1	0.55	2	1	3	1.2	4	1.3	3	1
Red River Reformed	0	0	0	0	0	0	3	1.2	4	1.3	5	1.6
Marion Methodist	0	0	0	0	0	0	1	0.4	1	0.3	1	0.3
Valley Christian	0	0	1	0.55	1	0.5	2	0.8	4	1.3	4	1.3
Calvary Baptist	0	0	4	2.19	3	1.5	2	0.8	3	1	2	0.7
Bethesda Lutheran	0	0	0	0	1	0.5	0	0	1	0.3	2	0.7
Christ the King Lutheran	0	0	2	1.09	3	1.5	1	0.4	1	0.3	0	0
Seventh Day Adventist	0	0	0	0	0	0	3	1.2	4	1.3	5	1.6
Edgewood United Methodist	0	0	0	0	0	0	1	0.4	4	1.3	2	0.7
Church of Christ	0	0	3	1.64	4	2	2	0.8	2	0.6	2	0.7
Fargo Free Methodist	0	0	0	0	0	0	1	0.4	2	0.6	0	0
Good Shepherd Lutheran	0	0	0	0	0	0	3	1.2	4	1.3	1	0.3
Shiloh Evangelical Free	0	0	0	0	3	1.5	2	0.8	2	0.6	4	1.3
Koinonia Fellowship	0	0	0	0	0	0	3	1.2	3	1	3	1
Pontoppidan Lutheran	0	0	1	0.55	1	0.5	1	0.4	1	0.3	1	0.3
Metropolitan Baptist	0	0	0	0	0	0	0	0	1	0.3	3	1
Maranatha Free Lutheran	0	0	0	0	0	0	1	0.4	0	0	0	0
Barnesville Lutheran Brethren	0	0	0	0	0	0	2	0.8	0	0	0	0
Hope Lutheran: Rustad	0	0	0	0	0	0	0	0	1	0.3	2	0.7
First Presbyterian	1	0.5	1	0.55	0	0	0	0	3	1	2	0.7
Hope Lutheran	0	0	0	0	0	0	0	0	1	0.3	4	1

Plymouth Congregational	0	0	0	0	0	0	0	0	0	0	1	0
St. Peter's Lutheran: Audubon	0	0	0	0	0	0	0	0	1	0.3	1	0
Faith, Hope, & Love Church	9	4.5	3	1.64	3	1.5	0	0	0	0	0	0
Wolverton Evangelical Free	2	1	0	0	0	0	0	0	0	0	0	0
Cornerstone Baptist	0	0	4	2.19	1	0.5	0	0	0	0	0	0
Forward Foundation Ministries	0	0	3	1.64	3	1.5	0	0	0	0	0	0
Hosanna Assembly of God	0	0	0	0	1	0.5	0	0	0	0	0	0
Sure Foundation	0	0	0	0	1	0.5	0	0	0	0	0	0
Totals	198		183		197		253		309		304	

Table 22: Enrollment at Park Christian School in 1990-91 and 1993-94 and factors explaining increase

Enrollment factor	Moorhead students	North Fargo students	South Fargo students	Total
1990-91 Park enrollment	119	25	74	
Enrollment increase from population increase	9	0	8	17
Enrollment increase from market share increase	23	31	11	65
1993-94 Park enrollment	151	56	93	

from too many locations to analyze market share. Further, in most cases, very dedicated parents drive their children daily up to 60 miles one way to and from school. Therefore, only the market share in Fargo-Moorhead will be reviewed.

In the 1986-87, and 1987-88 school years, Park Christian School captured about 3.11 percent of the students enrolled in Moorhead Public Schools. During the next three years, while the actual number of students increased at Park, its market share in Moorhead declined by 0.24 percent (to an average of 2.87 percent) which was equal to about ten students per year. Fortunately, during the 1991-92 to 1993-93 period, Park's market share trend has reversed, and in 1993-94, it achieved a 3.38 percent market share. The difference between a 2.88 and 3.38 percent market share is 23 more students enrolled at Park!

Although North Fargo is relatively close to Park, market share has always been substantially lower than either South Fargo or Moorhead. During the five year period ending with the 1990-91 school year, market share averaged eight-tenths of one percent. However, during the past three years, market penetration has more than doubled and reached 1.84 percent for the 1993-94 school year. Market share in South Fargo also has grown, but not as fast as in the other areas.

The impact on Park is displayed in Table 22. About 80 percent of the enrollment increase at Park has resulted from increases in market share, and the increase in student populations explain about 20 percent of the increase. As a result, enrollment declines in Moorhead will not have a significant impact, if market share can be maintained.

Table 23: Enrollment at Park Christian School by geographic location of students home

Year	Moorhead		Other Minnesota		North Fargo		South Fargo		Rural North Dakota		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
1993-94	151	47.3	2	0.6	56	17.6	93	29.2	17	5.3	319
1992-93	146	46.5	5	1.6	52	16.6	94	30.0	17	5.4	314
1991-92	133	50.6	5	1.9	36	13.7	73	27.8	16	6.1	263
1990-91	119	52.4			25	11.0	74	32.6	9	4.0	227
1989-90	107	54.3			24	12.2	58	29.4	8	4.1	197
1988-89	108	57.4			26	13.8	45	24.0	9	4.8	188
1987-88	109	54.0			24	11.9	54	26.7	15	7.4	202
1986-87	103	52.6			20	10.2	58	29.6	15	7.7	196

Table 24: Park Christian School's market penetration in Moorhead, North Fargo, and South Fargo

Year	K-8 enrollment in Moorhead Public Schools		K-8 enrollment at Park from Moorhead		Park enrollment as percent of Moorhead enrollment		K-8 enrollment in North Fargo Public Schools		K-8 enrollment at Park from North Fargo		Park enrollment as percent of North Fargo enrollment		K-8 enrollment in South Fargo Public Schools		K-8 enrollment at Park from South Fargo		Park enrollment as percent of South Fargo enrollment	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
93-94	4462		151		3.38		3040		56		1.84		4868		93		1.91	
92-93	4387		146		3.33		3083		52		1.69		4777		94		1.97	
91-92	4272		133		3.11		3055		36		1.19		4548		73		1.61	
90-91	4133		119		2.88		3042		25		.82		4395		74		1.68	
89-90	3826		107		2.80		2979		24		.81		4134		58		1.40	
88-89	3686		108		2.93		2969		26		.88		3856		45		1.17	
87-88	3495		109		3.12		2915		24		.82		3631		54		1.49	
86-86	3316		103		3.11		2870		20		.70		3407		58		1.70	

## **F. Attributes and benefits demanded**

During the 1990 planning process, two surveys determined benefits parents sought in their child's education. One surveyed Park parents and the other surveyed non-Park parents. Non-Park parents were (1) families attending the five main churches serving Park, (2) that had K through 8 children, (3) in public schools. The results revealed a significant difference of perception between parents who sent their children to Park, and those who used public schools.

The most important benefit to parents sending their child to Park Christian School was the Bible emphasis. The next most important benefit was cooperation between home, school, and church. The next most frequently mentioned benefits were Christian environment, Christian teachers, and a well-rounded education. Other benefits included size, and quality and results (test scores) of education. In ranking of educational components by Park parents, the Christian components emerged as the most important, while quality ranked seventh (see Table 25).

On-the-other-hand, non-Park parents surveyed said they sent their child to public schools because of the high cost of Park tuition. Other issues included quality of education, convenience, and existing peer groups. Those who were not attending Park were much more concerned with quality education for their child and did not perceive Park to be offering quality. It is likely that since this data was generated, attitudes of non-Park parents towards quality at Park have changed. In ranking of educational components by non-Park parents, quality again ranked as the most important by far (see Table 26).



Table 25: Ranking of educational components by Park parents.	
Educational component	Mean
Christian teachers	4.96
Teaching of Christian values	4.96
Prayers of teachers	4.89
Opportunity to pray	4.86
Christian environment	4.83
Loving, caring environment	4.83
Quality education	4.79
Small classes	4.41
Chapel	3.93
Avoid public school problems	3.61
Music programs	3.52
After school sports	3.31
Art programs	3.30

Scale: 5 very important and 1 very unimportant

Table 26: Ranking of educational components by non-Park parents.	
Educational component	Mean
Quality education	4.98
Teaching of values	4.85
Caring environment	4.08
Athletics program	3.90
Small classes	3.85
Music program	3.77
Art program	3.59
After school sports	3.51
Avoid discipline problems	3.40

Scale: 5 very important and 1 very unimportant

## **G. Perceptions of Park**

Park parents were asked their perceptions in both 1989, and 1993. Overall, interviews with Park parents reveals that Park Christian School is perceived to offer a high quality education within a Christian environment. The continuing high test scores convey a message of quality and the ongoing marketing efforts have reinforced the quality image.

A comparison of the 1989 and 1993 data reveals that every category except one received improved evaluation. The exception was the special school programs which declined two-tenths of one point. Significant improvements were reported in Parent-Teacher Fellowship, student appearance, chapel services, and School atmosphere. And the key issues, such as academic programs and love of teachers, continued to rank high.

Parents also believe the physical facility is attractive and projects a positive image of Park. Additional details regarding opinions regarding specific attributes of both parents whose children attend Park and parents whose children attend public schools are displayed in Tables 27 and 28.

One need seen by some associated with Park is the expansion of Park into higher grades starting with grade 9. Eventually, their goal is an entire a high school. The interviews did not disclose a percentage of people wanting a ninth grade but it is important to point out that not everyone wants it. Further, the level of intensity varied significantly.

Table 27: Ranking of Park's attributes by Park parents.		
Attribute of Park	Mean ranking 1993	Mean ranking 1989
Special school programs	4.4	4.61
Academic programs	4.6	4.51
General school staff personality	4.6	4.45
Love expressed by teachers	4.7	4.44
General school appearance	4.4	4.36
Spiritual influence	4.3	4.32
Curriculum materials	4.3	4.29
Opportunity for parental involvement	4.6	4.29
School atmosphere	4.6	4.25
Student discipline in general	4.3	4.21
Chapel services	4.5	4.17
Communications between school/home	4.3	4.10
Field trips	4.1	3.90
Student appearance (dress)	4.2	3.71
Peer influence	3.8	3.61
Parent-Teacher Fellowship	4.2	3.59

Scale: 5 excellent to 1 unsatisfactory

Table 28: Bi-polar comparison of attitudes of public school parents towards the quality of education.	
Question asked Public schools have better .....than Park Christian	
Attribute	Mean
Better after school sports	2.29
Art programs	2.37
Better quality education	2.38
Better music program	2.43
Less discipline problems	3.31
Smaller classes	3.37
Teaching of values	3.42
More caring environment	3.43
Christian teachers	3.73

Scale: 1 means public schools are superior, 3 means public and private are equal, and five means Park is superior

## **X. Internal Analysis**

An internal analysis examines the characteristics of the organization conducting the strategic planning. The purpose is to identify existing strategies as well as identify strengths and weaknesses of the organization. This section of the Strategic Plan evaluates the performance of Park Christian School.

### **A. Overall organization**

**1. Organization structure:** The present organizational structure of Park Christian School is displayed in Table 29. As illustrated, Park is directed by the eight sponsoring churches and each appoints Board members to direct the School. The twelve-member School Board meets monthly, and generally has rather long meetings.

Generally, both public and private schools have elected or appointed boards consisting of average citizens and the boards do not contain legal, accounting, or other specialized expertise. This structure creates the necessity for "strong" administrators to provide assistance and direction in deliberations of the board. Park also utilizes this model with a "strong" School Administrator who is instrumental in both guiding daily operations and in establishing long-term strategies and goals. Overall, the Park Christian School Board tends to review the strategies suggested by the School Administrator, rather than providing the lead in developing and designing strategies.

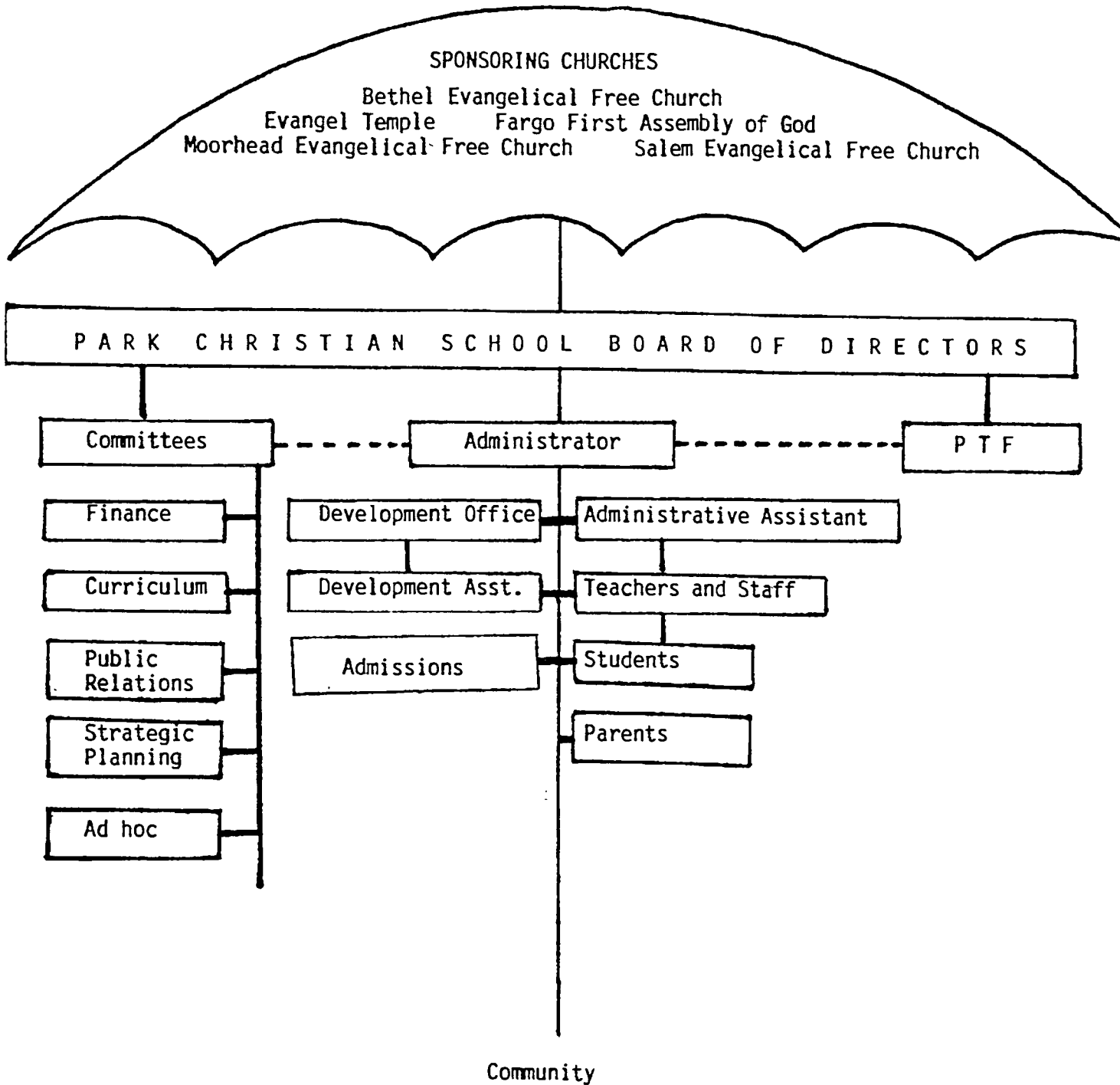
The School Board has established a committee structure with four standing committees of which two, Finance and Curriculum, appear to be working effectively. The other two, Public Relations and Strategic Planning, are inactive most of the time. According to the organizational chart, all committees report to the Board, but in reality, the School Administrator appears to be responsible for the effectiveness of each committee.

It appears the existing committees require extensive amounts of time. For example, the Curriculum Committee requires large amounts of time from both teachers and others who serve on it. Yet, the importance of curriculum, and the sensitivity required to insure that there is a proper prospective in the curriculum may suggest that efforts to reduce the time investment will prove futile. If this is true, other solutions such as compensation time may be required.

Overall, the organization chart displayed in Table 29 provides a sensitive interpretation of the School's organization, but it does not provide clear responsibilities or lines of authority. To illustrate, both parents and teachers have the same relationship with the School Administrator, while in reality, parents are external customers and teachers are internal customers. Therefore, it is important to revise the organizational chart to reveal specific operational lines of responsibility and authority.

**2. Mission and Vision Statement:** Park's current Mission Statement, Philosophy, and Vision Statement are displayed on page 15 of this plan. Each has been reviewed recently and each appears to be succinct, directly to the point, and

Table 29: Current organizational structure of Park Christian School



captures the spirit intended. The By-Laws of Park have another Mission Statement which is much longer. The Board needs to consider bringing the two Mission Statements into agreement. Further, the consultants believe that Park needs to communicate these messages more effectively by posting them in a visible spot and including them in publications.

**3. Interviews with pastors:** As the leaders of the sponsoring churches, the senior pastors were each interviewed. An analysis of these interviews indicate they perceive both Park Christian School's administration and education very positively. However, they also believe Park cannot replace the family and church role in creating Christian values, but rather should be a positive supplement.

Support from the pastors is apparent in numerous ways. All sponsoring churches allow Park to market in their services, through presentations and literature tables. It is also apparent in the financial support given directly or indirectly to Park by the churches. And many of the pastors send their children to Park.

The most active role of the sponsoring churches is participation in the chapel services. Aside from chapel, pastors of the sponsoring churches maintain a very low profile at Park. Because of the theological diversity among the sponsoring churches, their low profile has served to prevent conflicts within the interdenominational setting.

**4. School Board:** The School Board currently consists of twelve members serving three-year staggered terms, with four terms expiring each year.

Board members are appointed by the eight sponsoring churches and Board positions are allocated as follows:

Two members:

First Assembly

Triumph Lutheran Brethren

Bethel Evangelical Free

Salem Evangelical Free

One member:

Evangel Temple

Moorhead Evangelical Free

Metropolitan Baptist

Believer Fellowship

The members are generally appointed because of their interest in Park, and in most cases, they are parents of current students. Because Board members are appointed by the sponsoring churches, Park has little influence in their selection. In spite of this selection process, Park has generally been blessed with a strong Board. As an operating body, the Board tends to be a "working" Board and approaches a "committee" structure. This means that the Board focuses on operational issues rather than on strategy or planning. As a result, the Board meets monthly, with a relatively long agenda, covering day-to-day decisions which result in long meetings.

This type of board is in contrast to an advisory board, which tends to focus on the broader and longer-term aspects. Generally, advisory boards have fewer, and shorter meetings. And they tend to ignore daily operating issues unless a crisis has arisen. Rather, they focus on strategic planning and providing direction to the organization, and to the administrator. They set policies and directions which shape the budget, the mission, staffing, and the vision of an organization.



During the interview process, the Board members identified several critical weaknesses from the existing Board's operations.

There is no training for new Board members and each spends the first year of their term trying to figure out their role and tasks.

Some Board members, but not all, feel the Board is too soft and needs someone to stir discussion of issues. Members have a tendency to come ill-prepared and do not participate. This problem is compounded when the agenda is not distributed soon enough to provide time to contemplate the issues.

About half of the Board members feel the Board accepts the expertise of the Finance Committee without adequate consideration. Several suggested the Board acquiesces with inadequate reflection to the Finance Committee or Administrator.

Current Board members see recruitment as very informal, and they do not see adequate effort to identify and recruit needed expertise. However, Board members have substantial expertise to provide in recruitment.

The consultants believe that specialized needs such as legal, financial, human resource management, or marketing may or may not be represented on the Board at a specific time, and are never collectively present.

In addition, the operations of the current Board exhibits several other characteristics which are far less significant to overall performance, but may still require attention. These include the following:

While not a critical weakness, the size of the Board could be reviewed to determine if a smaller or larger Board would be more effective. Other school administrators from schools of a similar size suggested that a smaller Board could be more effective.

Currently, the Board contains three teachers from public schools. The interviews revealed this is working very effectively. However, school administrators from other private schools expressed surprise. They suggested that the expertise of teacher- board members would duplicate the expertise of Park's teachers and Administrator.

**5. Parent-Teacher Fellowship (PTF):** To create interaction with parents, Park has established the Parent-Teacher Fellowship. The Handbook suggests that:

The Parent-Teacher Fellowship provides a framework in which both parent and teacher, through a mutual understanding of the problems involved in Christian education and of the needs of the child, may work together for his best interest in developing intellectually, spiritually, physically, and socially.

The Handbook continues by stating the purpose of the Parent-Teacher Fellowship as follows:

The PTF will strive to involve parents in the ministry of Christian education at Park Christian School, provide enriching programs, facilitate a spirit of unity, and support fund-raising activities.

In analyzing the overall performance of the PTF, it serves a number of functions for Park with varying degrees of success:

Twice a year, the PTF has a meeting with teachers and parents, but the turnout (and apparent interest) from parents is very low. Participation is usually about 25 to 35 people, with teachers comprising the majority.

The PTF also organizes and sponsors two major events each year: a picnic at the beginning of the year and a fun night during the winter. Both are very well-attended and seem to be very popular.

In addition, the PTF sponsors a number of social events each year which are relatively well-attended. To illustrate, during the current school year, the PTF held five roller-skating nights.

Activities generated financial support for the School totaling between \$1,500 and \$1,800 per year during the last two years.

The PTF is operated by four elected parents and a teacher representative. However, as society has changed and more mothers are working outside the home, there appears to be less willingness to serve on PTF committees.

In addition to their role in PTF, parents also have the opportunity to volunteer service to Park. Generally, volunteers provide a lot of service to the Kindergarten class but after that, participation drops off significantly. But again, the social cultural changes are reducing the number of parents available to volunteer.

## **B. Human resources**

**1. Teacher qualifications:** Each classroom teacher at Park Christian School is certified by the State of Minnesota and/or the State of North Dakota.

However, two Junior High subjects, Spanish and Bible, are taught by part-time, adjunct faculty who have expertise, but are not certified. Both are pursuing additional qualification. Overall, the quality of Park teachers appears to be outstanding. Parents report that they are very pleased with their children's progress academically, spiritually, and socially. Further, standardized academic test results rank Park students extremely high nationally and regionally.

**2. Evaluation of pay and benefits:** Private educators have historically received lower wages than public educators. At Park, this is also true. A comparison of wages with local public and regional private schools reveals that salaries are higher at every other school except Grand Forks Christian. The greatest disparity is with Moorhead Schools, which pay starting salaries 75 percent greater than Park. The North Dakota public schools paid starting salaries about 30 percent higher, while Minnesota schools paid 57 to 75 percent more. ACSI average and median, and Shiloh all paid about nine percent more than Park. Further, salaries at PCS tend to deteriorate slightly over time, based upon ten-year salaries.

Increasing teacher salaries was a strategy identified in the last Strategic Plan, with the goal of reaching 75% of the Cass and Clay County average. In hindsight, this goal was vague because there were too many schools involved. However, compared to Fargo Schools, Park gained one percent. But compared to Moorhead Schools, Park lost eighteen percent. Overall, this goal has not been achieved. Further, Park has no retirement plan.

Table 30: Salaries at Park Christian School compared to other regional schools				
School	Starting salary base		Ten year salary base	
	Salary	Percent of Park	Salary	Percent of Park
Park	\$13,375		\$18,457	
Moorhead, MN	\$23,4743	175%		
Fargo, ND	\$17,600	131%	\$24,816	134%
West Fargo, ND	\$17,000	127%	\$23,750	129%
Hawley, MN	\$21,047	157%		
Kindred, ND	\$17,400	130%	\$24,186	131%
Grand Forks Christian, ND	\$11,500	86%		
Bismarck Shiloh, ND	\$14,565	109%	\$19,954	108%
ACSI median	\$14,645	109%		
ACSI average	\$14,453	108%		

Table 31: Training provided for Park Christian School teachers 1991-1994			
Year	Training programs	Program intensity	Faculty involved
1993-94	1. Dr. Uecker 2. August teacher workshop 3. ACSI convention 4. Child abuse/neglect 5. July Science workshop	24 hours 12 hours 12 hours 1 hour 10 hours	Everyone Everyone 1/3 of teachers Everyone Everyone
1992-93	1. Science workshop 2. Math workshop 3. August 4. ACSI convention 3. January 22 teacher workshop 4. February 12 teacher workshop 5. MECC & muffins (computer) 6. Social study curriculum training	80 hours 80 hours 12 hours 12 hours 6 hours 6 hours 4 hours 6 hours	5th and 6th 5th and 6th Everyone 1/3 of teachers Everyone Everyone 4th 8th 4th 8th
1991-92	1. Computer using MECC software 2. January 24 teacher workshop 3. Dr. Uecker 4. August 26 teacher workshop 5. MECC & Muffins (computer) 6. ACSI convention	6 hours 7 hours 12 hours 10 hours 12 hours	Everyone Everyone Everyone Everyone Everyone 1/3 of teachers

**3. Staff development and training:** Teacher training and development programs implemented during the past three years are displayed in Table 31. Overall, the majority appear to focus on curriculum implementation or computers.

**4. Job descriptions:** Job descriptions delegate authority, assign responsibility, and create accountability. Their wording generally reveals the philosophy of an organization and the use of job descriptions. To illustrate, job descriptions reveal both empowerment and if the job description is used to blame people or to encourage people.

At Park, job descriptions are too complex and detailed. While personnel experts suggest that 10 or fewer tasks are generally appropriate for job descriptions, the teacher's description details 37 specific tasks within five broad categories, and the Administrator's description details 76 specific tasks. Overall, there is excessive detail.

**5. Employee turnover:** Sixteen teachers left Park during the six year 1987-88 to 1992-93 period. This is an average of 2.67 per year. Of these, three left because their husbands were transferred, five for maternity leave, two for teaching jobs in public schools, one became a pastor, and one left teaching. The other four left for a variety of reasons. Turnover is normal and expected within any organization. Half of those leaving Park did so for family reasons. Overall, it does not appear that turnover is excessive. Nor does turnover appear to be driven primarily by environmental factors at Park.

## **C. Administrative processes**

**1. Administrative structure:** As a private school, Park has an administrative staff consisting of four individuals: (1) Both school and academic administration are the direct responsibility of the School Administrator. (2) Development and fundraising is a full-time position. (3) Admissions Counselor is a part-time position currently filled by an individual who also teaches choir. And (4) a full-time Administrative Assistant supports the School Administrator. The development staffing for the current capital campaign has made this structure more complex because short-term appointments have been used to bring large gift fundraising expertise on board. Thus, development currently has additional positions.

**2. Office procedures:** The Park administrative office has a support staff consisting of four individuals including: (1) A part-time Secretary, 30 hours per week, who works entirely in development. (2) A full-time Receptionist/Secretary. And (3) a part-time, 220 days a year, Bookkeeper. Currently, the office area is inadequate, and it is a credit to the support staff that they are able to function. There is inadequate room and equipment, such as computers, and staff must wait for shared computers to be free. These problems are compounded because three of the four support staff work in an open reception area, and therefore, are frequently interrupted by needs of parents or students. And since the sick room is within the office area, sick children also tend to interrupt the normal office

efficiency, although it makes the office staff available to tend to the needs of the child.

**3. Administrator:** Park Christian School has one key employee who assumes the dual role of School Administrator and Principal. This individual is regarded by teachers, Board members, pastors, and others as an outstanding Administrator who has contributed significantly to the School's financial and enrollment growth. However, there is also agreement that the current position includes too many responsibilities for one person.

**4. Management style:** Historically, education has used hierarchical managerial styles. This evolved in part, from the authoritarian hierarchical structure of the industrial revolution. But it also possibly emerged from the role of both the church and Christian schools within the community. Because they were often the highest educated people in the community, and they represented the church, both clergy and headmasters were respected opinion leaders. The hierarchical style was also used by business where it has driven a national business economy which felt few competitive pressures. Further, economic demand outstripped supply, enabling businesses to sell regardless of the quality or service.

However, in the late 1970's, a revolution hit American business. Economic sector after economic sector was devastated by international competition, especially the Japanese. Terms such as strategic planning, total quality control, Demming, Juran Institutes, Philip Cosby, Cam Bam, Just in Time, worker team, empowerment, ISO 9000, Malcomb Baldrige, benchmarking, etc., became part of



everyone's vocabulary as America's managers responded. And in the 1980's, a book entitled *Service America* carried the revolution beyond manufacturing into the service sector. Albrecht and Zemke (1985) suggested:

management practices will have to evolve from a manufacturing orientation to a moment-of-truth orientation to meet the demand of competition. We are at the beginning of an era that will see the demise of the General Motors model of management, with its tool-and-task orientation, and the evolution of a new motif that will revolve around outcomes instead of activities.

Your employees are your first market; you have to sell them on the service idea or they will never sell it to your customers. The way people feel about themselves and their jobs will always affect their interactions with customers.

Systems are often the enemies of service. Many of the problems of poor or mediocre service originate in systems, procedures, policies, rules and regulations, and organizational craziness. Too often, we blame the frontline people...when the real problem is systems that don't work or make sense.

Currently, the overall managerial style of the Park organization which starts with the School Board suggests the following:

Parents and students are our customers and Park exists to serve them.

True. But, no company can continue delivering quality without recognizing that employees are the frontline customer. Unless employees are the primary customer, many management decisions designed to improve quality and service will prove to be counter-productive. Therefore, at Park, both parents and teachers are our customer.

Managers achieve much, but their accomplishments are limited by their energy and ability. Generally, rather than increase the results of those they

supervise, they impede and limit. Leaders, on-the-other-hand, achieve much greater results by capturing the energy of their followers. The 1990's will see the continued demise, but not elimination, of the traditional manager as leaders take over. Lao Tzu stated (Albrecht, 1992):

A leader is best when people barely know he exists.  
Not so good when people obey and acclaim him,  
Worst when they despise him.  
Fail to honor people,  
They fail to honor you.  
But of a good leader, who talks little,  
When his work is done, his aim fulfilled,  
They will all say "We did this ourselves."

The American retailer best known for excellent customer service is Nordstrom's. While they have problems, they have achieved an enviable status for service. Their policy from the employee handbook is displayed in Table 32.

At this time, Park has excellent systems which are maintained by the traditional managerial approach to organizational performance. However, within this structure, teachers do not believe that they are adequately empowered. Yet, empowered employees create excellence. As Park prepares for the year 2000 and beyond, the Board should consider what it wants Park Christian School to become. Further, it should consider altering the existing management style to focus on leadership that will empower employees and enhance overall performance. Leadership, benchmarking, and total quality management are tools used to empower and achieve the greatness desired by Park.

Table 32: Nordstrom's employee rules

Welcome to Nordstrom.  
We're glad to have you with  
our Company.

Our number one goal is to provide  
outstanding customer service.

Set both your personal and  
professional goals high.  
We have great confidence in your  
ability to achieve them.

Nordstrom Rules:

Rule # 1: Use your good  
judgement in all situations.

There will be no additional rules.

Please feel free to ask  
your department manager,  
store manager or division general  
manager any question  
at any time.

NORDSTROM

## **5. Myers-Briggs analysis:** Psalms 139:13-14 of the *Living Bible*

explains: "You made all the delicate, inner parts of my body, and knit them together in my mother's womb. Thank you for making me so wonderfully complex! It is amazing to think about. Your workmanship is marvelous--and how well I know it." Little is less understood than the truly complex personality that makes us each unique.

Because many unique personalities make up each organization, part of this strategic planning process included administering the Myers-Briggs Type Indicator.

The Myers-Briggs Type Indicator has been employed as a tool for many years to help people in organizations: (1) Understand themselves and their behaviors, (2) Appreciate others and make constructive use of individual differences, and (3) See that approaching problems in different ways can be healthy and productive.

It's often used to help organizations: (1) Communicate more effectively, (2) Solve organizational and personal problems, (3) Make the most of human resources, (4) Assist in career choices and professional development, (5) Improve teamwork, and (6) Resolve conflict.

Myers-Briggs provides a useful measure of personality by looking at eight personality preferences that are organized into four bi-polar scales, that identify your "Type." ALL Types are equally important. And Types are just one method of describing who you are. God made us each unique to get the whole job done!

One scale is Extrovert or Introvert: **Extroverts:** Part of the genuine caring shown among staff and to the children at Park certainly springs from this preference. **Introverts:** While it might seem inconsistent that those who prefer being alone would seek to be in the midst of so many children, we must remember these people are most at home in the world of ideas and understanding.

Sensing or INtuitive make up the second scale: **Sensing:** It would seem a natural that a population that enjoys living in the present and gathering facts would enjoy the atmosphere of children and education. **INtuitive:** Their ability to see new possibilities and solutions in everything, to be inventive, to exercise their very vivid imagination is just part of the reason it is not surprising this population at Park, an elementary school, is higher than the general percentage.

Third is the Thinking-Feeling dimension: Theory reveals that the only pair of preferences which shows a gender trend is the Thinking-Feeling dimension. More women than men (six out of ten) choose a personal values approach (Feeling) to decision-making. More males (six out of ten) prefer to make decisions on the basis of principles in a logical and objective manner (Thinking). **Thinking:** Teaching would seem like a natural place to find those who analyze, who value logic, and who are good at organizing facts and ideas into sequence. Seventy-five percent of the eight men at Park are thinkers. Of the twelve thinkers, or 41 percent of the employee population at Park, it was equally divided with six men and six women choosing the thinking preference. **Feeling:** While

statistics suggest sixty percent, prefer the feeling preference, 15 out of 21, or 71 percent, of the women at Park chose the feeling preference, as did two of the men. The personal involvement required of teachers nicely matches the characteristics of the person with Feeling preference.

Lastly, Judging versus the Perceiving scale: **Judging:** All eight men, and fifteen of the women chose the Judging preference. The structure and organization that has surrounded education makes teaching ideal for this preference that likes to regulate and control life. **Perceiving:** While the Judging-focused see Perceivers as aimless drifters, they are well-suited to the early grades. Four of the six women with this preference were teachers of the first three grades where youngsters are seeking to understand life and experience all of it. Their curiosity is still very active and the perceiver is ready and willing to explore new possibilities with them. Attention spans for the early grade are not lengthy, and the Judging might be more apt to grow impatient with this lack of control that is part of the young child.

When the four factor preferences are chosen and interact, they comprise sixteen basic personality types. Table 35 diagrams the types indicated by the employees analyzed at Park.

Table 33: Distribution of four pairs of preferences among all Park Christian School employees analyzed

Percent general population	Percent Park	Number	Preference	Number	Percent Park	Percent general population
75	62	18	Extrovert vs Introvert	11	38	25
75	48	14	Sensing vs INtuitive	15	52	25
50	41	12	Thinking vs Feeling	17	59	50
50	80	23	Judging vs Perceiving	6	20	50

Table 34: Distribution of four temperaments of Park Christian School employees analyzed

% Gen. pop.	% Park	Number	Temperament
38%	10%	3	SP (Realist)
38%	38%	11	SJ (Legalist)
12%	24%	7	NT (Analyst)
12%	28%	8	NF (Empathist)

Table 35: Myers Briggs Type Indicator preference groupings for employees of Park Christian School

	S	S	N	N	
I	<b>ISTJ</b> Todd S. Randy S. (6%)	<b>ISFJ</b> Deb L. Barb E. Karen P. Paul R. (13%)	<b>INFJ</b> JoAnn H. (3%)	<b>INTJ</b> Terry N. Duane E. (6%)	J
I	<b>ISTP</b> N=0 (0%)	<b>ISFP</b> Jennifer B. Naomi W. (6%)	<b>INFP</b> N=0 (0%)	<b>INTP</b> N=0 (0%)	P
E	<b>ESTP</b> N=0 (0%)	<b>ESFP</b> Shirley S. (3%)	<b>ENFP</b> Deb H. Wendy B. Debra G. (10%)	<b>ENTP</b> N=0 (0%)	P
E	<b>ESTJ</b> John G. Polly S. Lorraine K. (10%)	<b>ESFJ</b> Kathy J. Serene Y. (6%)	<b>ENFJ</b> Kathy R. Marlene N. Sherri F. Dave B. (13%)	<b>ENTJ</b> Terrinne B. Enedeo G. Karen N. Marilyn E. Tracy S. (17%)	J
	T	F	F	T	



## **D. Marketing of Park Christian School**

As Park markets, it must communicate with two completely different customer segments and within each segment, a variety of customers exist. To illustrate:

Financial supporters

Parents

- \* existing customers (parents of children at Park),
- \* potential customers from major Evangelical churches,
- \* potential customers from other churches, and
- \* others

The donor marketing was not reviewed as part of this strategic planning process. Marketing to parents includes both advertising and personal selling.

The current advertising materials used by Park include two brochures. A critical analysis reveals that these materials are excellent and effectively incorporate marketing theory and principles. They incorporate excellent verbiage with the proper focus, high quality paper and printing to communicate an image of quality for the School, and quality photographs to bring the message to life. At the present, there is literature available for Park in general, and the lower elementary grades, but there is no literature for the Junior High program.

Park also has a 4.25 X 8.25 inch pocket folder with seven sheets of information in each pocket. The seven sheets are progressively shorter so the title of each is clearly visible.

Presentations are made to sponsoring churches. Reports reveal that these efforts are well-received and professionally done. Park recently purchased a professionally- designed booth for use with the presentations. However, it does not appear that presentations are made to every church every year. The advertising materials are displayed in each of the sponsoring churches. Because of the physical layout of each church, the effectiveness of each display varies. Board members are supposed to insure that the material displays are maintained and replenished.

Weekly newsletters are sent to each parent at Park. These are intended to be informative and contain information regarding events and happenings at Park. They also include information on the teachers at Park, which communicates to parents about the teachers their children will have in the future. Overall, these serve a very useful purpose. Since these are the most frequent communications with parents, they send a very strong signal regarding Park. Some parents commented that the newsletter's tone, on occasion, can sound authoritarian (for an example of an authoritarian message, see the "busing information" sheet which contains words such as "must" and "will be"). In addition, the quality of paper and printing is similar to most school newsletters: that is, adequate, but not outstanding.

Other materials are mailed to parents and others interested in Park on a regular basis. Some include:

- \* Quarterly issues of Park Today, a visually appealing 8.5 X 11 inch magazine. This publication provides information regarding the overall performance of the School.
- \* Prayer letters on monthly basis.

A packet of materials is given to prospective parents. In general, the material answers most of the questions a parent might have, include the following:

- \* One page cover letter
- \* Stanford Achievement Test scores
- \* Park fact sheet
- \* Park brochure
- \* Kindergarten brochure
- \* Map of Park's location
- \* Application for enrollment
- \* Tuition and fee schedule
- \* Busing information

Prospective parents are interviewed by the Administrator and Admissions Counselor. Parents report that these interviews are very effective and generate good impressions of Park.

Historically, Park conducted substantial marketing research to identify customer needs and attitudes. And more importantly, this information was used in developing School policies. However, there has been little research in the past few years.

## E. SWOT analysis developed by School Board

In business analysis, and specifically in strategic planning, the SWOT analysis is an essential tool. SWOT is an acronym for:

*S* the strengths of the organization

*W* the weaknesses of the organization

*O* the opportunities existing within the organization's environment

*T* the threats presented by the organization's environment

### Strengths of Park Christian

#### School

Outstanding teachers

Excellent administration

High level of commitment

by employees

Outstanding academic programs

Excellence and variety in electives

Scripturally-based curriculum

Desire to excel in academics

Strong athletic program with  
winning tradition

Scholarship program

Financially strong

### Weaknesses of Park Christian

#### School

Close to capacity

Inadequate planning for growth

Low salaries

7th and 8th grade lack identity

Lack of outcome-based goals for  
individual students

Poor communications

Interrelationship problems

Communications with sponsoring  
churches

School Board not visible to parents

Successful capital campaign

with expanding donor base  
Building which is safe, clean,  
and appealing  
Handicap-accessible building  
Day Camp

Apathy of parents/ no threats  
perceived  
Not equipped to serve severely  
handicapped students  
Need support for sustained giving  
Gym needs repair and upgrading  
No orchestra

## **Opportunities for Park**

### **Christian School**

Growing population in target market of young families

Prosperity in community

Excellent supply of teachers from local universities

Additional land available to expand property

Growing awareness of benefits of private education

Increased need for quality preschool and day care

Growing awareness of Park

Accreditation by ACSI

Disseminate expertise of Park to other Christian schools

## **Threats facing Park Christian**

### **School**

High quality public schools in community

Significant competition from private and public schools

Growing very rapidly

Tuition increases pricing Park beyond ability of the average family

Intensive competition for donor dollar

Families seeing Park as the solution to problems with high risk students

Families want specific teachers

More acceptance of outcome-based education

Voucher system for public education

Evolving laws for handicapped-accessibility

Federal health care legislation

## **F. SWOT analysis identified in interview process**

During the interviews the consultants held with teachers, staff, Board members, pastors, parents, and others, the following strengths, weaknesses, opportunities, and threats were identified.

### **Strengths of Park Christian**

#### **School**

Christ-centered  
Quality education  
Ecumenical spirit  
Growth and growth potential  
Biblically-based instruction  
Classmates with similar family values  
- Fellowship among parents  
Good parental involvement  
Visionary planning  
Successful capital campaign  
Well-managed resources  
Spirit of excellence  
Excellence of children at Park  
Children taught Biblical-problem solving for life's problems

### **Weaknesses of Park Christian**

#### **School**

High tuition  
Danger that quality school becomes more important than Christian school  
Need more trust, communication, unity  
Park has become ingrown  
Outgrown the building  
Office area too small  
Too few classics in reading program  
Define purpose of chapel  
Junior High program is less developed  
Computer program weak and not enough time in computer lab  
Science and math test scores lower



Mr. Norton's Administration:  
handles parents and Board well  
Great office staff  
Pray together as a staff  
Work together on common goals  
Teachers  
Teachers who pray with kids  
Size allows more opportunities for  
kids in sports etc.  
Nice Facility

We fail to re-evaluate curriculum  
Need more money for classroom  
use  
Parent apathy  
Low pay  
No retirement plan  
Teachers serve on too many  
committees  
Breach of prayer time  
confidentiality  
Teachers fatigued: too much work  
Teachers feel excluded/ not  
affirmed  
Gossip among teachers  
Lounge has become a complaint  
center  
Need better evaluation process  
for teachers and staff  
We ignore sexuality

## **Opportunities for Park**

### **Christian School**

Start High School

Start Pre-school rather than

Senior High to feed system

Separate Junior High

Expand building and equipment,  
establish regular replacement  
program

Add to sponsoring church base

Involve teachers in strategic  
planning

Teacher continuing education

Consultant to other Christian  
schools

## **Threats facing Park Christian**

### **School**

Special needs children require  
resources that already stretched

Need for seminars

for parents in community

Dedicated funds in capital campaign

Lack of involvement of most  
sponsoring churches

Help Christian home schoolers

## **G. Product offering of Park Christian School**

### **1. Elementary educational program:** Students in grades

Kindergarten – 6 take the following courses:

Reading	Phonics
Spelling	Language
Math	Social studies
Bible	Science
Penmanship	Art
General music	Physical education

### **2. Junior High educational program:** Students in grades 7 and 8

take the following subjects:

<u>7th grade</u>	<u>8th grade</u>
Bible	Bible
English/literature	English/literature
Math	General math/algebra
Life science	Earth science
Spanish (1 semester)	Spanish (1 semester)
Computers (1 semester)	Computers (1 semester)
Social studies	Social studies
Physical education	Physical education
Art	Art

**3. Special programs:** In addition to the traditional subjects identified above, electives include:

Choir for grades 4-8

Band for grades 5-8

Athletic programs for grades 4-8

\* Volleyball

\* Basketball

\* Track

**4. Program issues:** There appears to be some disagreement regarding the role of the Junior High program. There is general agreement that the Junior High is an extension of the elementary school and does not provide training to students in handling greater responsibilities. This issue expands into the transition between grade 8 and High School, where some feel Park students could be better equipped to make this difficult and emotional transition. Yet, the traditional Junior High may not be a desirable alternative, based upon the problems and other factors generally present in Junior High schools.

## **H. Facilities**

**1. Building exterior:** Currently, the Park building is relatively new and the overall condition is good. Specific details include:

Exterior walls have exterior insulation finish system with no maintenance.

Windows have maintenance free PVC clad exterior, but sealant needs reviewed in 1994.

Roof is a fully-adhered membrane and was installed in 1985. It had a 5-year warranty and 40-year expected life. A visible inspection in 1994.

Bus storage building appears in good condition.

Handicap-access is adequate. Possibly add handicap-assist operators at main entrance. This could be added anytime for approximately \$5,000.00.

Paint is peeling off south side of the building.

**2. Grounds:** The grounds of Park include parking and a playground. In the near future, additional land will be acquired from the Burlington Northern Railroad which will substantially expand the grounds. Following is an analysis of the grounds:

Sidewalk has some cracking and heaving. Should be reviewed in 1994.

Main parking lot will be reviewed in 1994. Estimated cost to add 2" overlay would be \$3.10/Square yard. Cost to add 1 1/2" level course and 1 1/2" wear course would be \$4.35/Square yard. Side parking lot will also be reviewed.

Trees and shrubs will be reviewed in 1994.

Could add 10 staff parking stalls at east side of building with gravel surface for approximately \$1,500-\$2,000.

Separate office access for visitors. This should be evaluated at the time of facility expansion. Due to the current office constraints, this is a future consideration.

The parking lot could be used for bus drive-up and loading zone. The buses could act as a windbreak. This could cause increased parking lot congestion with parent pick-up activity. It also is very limiting on bus mobility.

A windbreak screen could be added to current bus drop-off area. This would decrease visibility, add snow accumulation hazards. Positives and negatives should be discussed with staff prior to any action on this item.

**3. Capacity:** The 29,000 square-foot facility of Park Christian School is a converted food store. Because of the substantial excess space, only part of the building was finished when the building was acquired in 1985. There were eight class rooms and a gym in 1986. As student numbers have increased, addition class rooms have been added by finishing additional areas. In 1994, there are 18 classrooms, a gym, and office areas. However, since all areas of the building have now been completely finished, there is no additional room for expansion. The gym doubles as the cafeteria, one classroom is devoted to music.

Historically, Park offered one section of each grade. But as enrollment grew, second sections were added. In general, the strategy has been to add the second section for the first grade when enrollment justified and the following year, add a second section of second grade. This pattern has been repeated each year and for the fall of 1994, the second section of the sixth grade will be added.

If Park continues to create double sections, by the fall of 1996, 17 class rooms will be necessary (one for the two sections of K and two for grades 1

Table 36: Capacity of Park Christian School assuming two sections per grade level		
Grade level	Maximum capacity	Realistic capacity
K	48	48
1	44	44
2	46	44
3	50	44
4	54	44
5	54	44
6	54	44
7	54	44
8	54	44
Total	458	400

through 8). Given this assumption, the current school building could provide room for 458 students (see Table 36). However, the assumption that every seat is full is not realistic. Since the early grades require smaller sections, they become a restriction which limits the flow of students into higher grades. Given this restriction, 400 becomes a more realistic capacity figure within the present facility but even this figure will be extremely difficult to achieve because restrooms and the gym/lunch area are beyond capacity.

**4. Future building expansion:** Park is in the middle of Phase II of the capital campaign to fund a gymnasium and teacher salaries. In addition, the following needs exist:

Additional restrooms can be combined with gym construction

Additional classroom space:

- \* Needed when enrollment justifies and funds are available.
- \* Where should addition be constructed? Several alternatives.

Additional office space: how much is needed and where should it be located?

New gym facility: What is included? Restrooms? Eating area? Showers?

Office for director? Storage etc., Lockers?

Storage: Add storage in the gym, revise some existing rooms, bus storage area, create priority on items stored (When to discard?).

Bus storage building could be relocated at east end of large field area which gets it away from the school. It could also have access to 2nd Avenue North from present location. This facility needs roof and door repair.

Nurse: Need office area for visiting nurse and a larger room for a sick room.

## **I. Equipment status**

As a teaching institution, Park has relatively high requirements for equipment to support both teachers and office staff. A review of equipment indicated:

### **1. Office:**

One terminal per person networked and modem access where needed

Software training and updates including central grading, attendance records, admissions, scheduling, hot lunch, bookkeeping, inventory control (texts, equipment, classroom purchases)



Technology person knowledgeable in software used to train staff and manage computer/AV etc. usage, service, etc.

Increase storage area of office and microfiche old records

## **2. Computer lab:**

Larger classroom area which allows better arrangement

Master switch for all computers, network, LCD for presentations

Additional software, whiteboard, and overhead screen

Bank of four computers and printer (in small group)

## **3. Library:**

Computer access to area libraries and catalog on computer

CD Rom and video disks

More seating space

## **4. Outside Playground:**

Larger area available, spread classes further apart

Easy view of students by teachers

Add playground equipment and prioritize types

Check all playground items with insurance company to ascertain that all purchases are covered by liability insurance

Running track, softball diamond, soccer and football field

Playground separated from parking lot

## **5. Classroom:**

More vertical storage shelves

World map for each room

Replace worn teachers desks

Coat rack for teachers and visitors

Student storage improved

Master clock

Files and shelving

Present there is 20-student maximum capacity in some rooms

Cork strips for mounting and displaying work

Boot rack under coat rack

Improvements in desks, tables, and chairs

New chairs for Kindergarten, and Junior High needs library-type chair

Art room: teacher uses "art on cart" but needs closed-door storage. May need small room with large countertop space, tile floor, sink and drain.

**6. Hot lunch:** Eating area needs may not be possible in existing facility

Increase refrigerator/freezer space and monitoring, discarding old food and unneeded items, and keeping area in a clean condition

Serving area cleaned: Would paid staff facilitate keeping serving area clean?

## **7. AV equipment:**

Increase number of TV/VCR units with central storage and library of tapes

Stereo equipment for music room use

Overhead projector and screen for each room

**8. Facilities and equipment:** Maintenance manager to develop daily, weekly, monthly, yearly maintenance items to be checked. Sample items could be (1) building condition: roof, windows, doors, classrooms, lights, heating system, paint; (2) individual classrooms including: desks, chalkboards, carpet, storage area, daily vacuum schedule; (3) condition of playground equipment; (4) training for use of equipment; (5) frequency of cleaning all areas; (6) and pager for custodian.

# **XI. Finances of Park Christian School**

## **A. Financial procedures**

Park Christian School's financial management and accounting systems consists of the following functions and details:

**1. Administrator:** Oversees all financial matters, prepares annual budget with Finance Committee review and School Board approval. He gives staff authority for encumbering school funds, approves invoices to be paid, and contacts parents who have accounts showing to be excessively overdue on accounts receivable.

**2. Bookkeeper:** Receipts all cash received, prepares and mails all checks, oversees cash accounts and reconciles accounts, manages payables, prepares payroll information for service bureau. This position reports to the School Administrator.

**3. Service bureau accounting service:** The School retains Larson's Accounting to provide monthly compilation of financial statements. They process all accounts receivables and payroll using an accounting receivable system which has been custom-designed for Park Christian School. They have been contracted by the School Administrator.

**4. Finance Committee:** Reviews financial decisions with the School Administrator and assists in setting financial direction for the School. The Finance Committee is a subcommittee of the School Board.

**5. Accounting year:** July 1 to June 30.

**6. Annual review/audit:** Historically, Park Christian has received an annual limited review from Keith Ollie, CPA. Beginning with the 1993-94 fiscal year, the School will have an audit.

**7. Revenue accounting:** The primary source of revenue for Park Christian is tuition. All tuition is billed to accounts from contracts signed by parents. Parents have a multiple payment plan of 10, 11, or 12 months. The revenue is not recognized until billed. The spreading of the billing plans is prepared by the service bureau with review from the School.

Payment to accounts is applied from receipts written by the Bookkeeper. Special billing for sports fees, book fees, etc. are billed from billing sheets completed by various staff at Park Christian. Statements are delivered to parents monthly. Statements include all year-to-date information, allowing parents to review for any errors in applying billing or payments.

**8. Cash management:** Cash is received directly into the business office of the School. The mail is opened by the Receptionist, and then given to the Bookkeeper for receipting. The Bookkeeper receipts the funds and deposits them directly to the bank. The original copy of the receipt is given to the development office for all donations. The yellow copy of all receipts is sent to the service bureau accounting. If the Bookkeeper does not have time to do the receipting, it is put off to a later day. There is not a back-up for this function.

Accounts receivable bad debt expense and write-off is minimal. Accounts that are overdue are charged with a \$10.00 finance charge. Accounts must be paid in full at the end of the school year for grades to be released. If records are not released, it could have some negative impact on the parents ability to enroll the child into another school.

Bank accounts are reconciled monthly by the Bookkeeper.

Park Christian does not have an official policy for investing excess funds. The School has been primarily using savings accounts for investments. Because of using savings accounts, cash would not be pooled to maximize investment earnings.

Park Christian does not record monthly accounts payables. Invoices are held by the Bookkeeper until ready to be paid. Expenses are not recognized until the invoice is paid. Invoices are not formally aged for payment. Approval for payment is based on available funds. The Administrator selects invoices for payment as there are not available funds to pay all invoices due.

Park has a purchase order system controlling proper authorization of expenses.

**9. Payroll:** The Bookkeeper prepares a payroll worksheet, which is sent to the service bureau accounting service to calculate the proper payroll check. Checks are printed by the service bureau and returned back to the School unsigned. All pay rates are based from signed contracts with each employee. Pay

types vary from hourly to salary. The service bureau prepares all State and Federal reports.

**10. Development accounting:** Park Christian receives up to 25% of their general budget from development income. The income is receipted by the Bookkeeper, and the original receipt is sent to the development office. The development office sends a thank you and the receipt to the donor. If a pledge is involved, the gift is applied to the pledge. The donor gift tracking is computerized. At this time, there is not reconcile or association of the development system with the financial accounting system.

**11. General ledger:** The general ledger is a monthly compilation prepared by the service bureau. Statements are due to the School within 10 days after the final day of the month. The format of the statements is basically controlled by the service bureau. Special reports are available upon request. The financials are prepared in a fund accounting format.

**12. Budgeting:** The budget is prepared by the Administrator with minimal input from other areas. The budget generally is not completed and approved by the Board until September of each year. Thus, Park operates for two to three months without a budget.

**13. Overall comments:** The overall financial system is functional for the current enrollment, but it is also inefficient. The cash receipting is basic and gives opportunity for error. If the Bookkeeper doesn't have time to receipt the funds, they are kept in the School and not deposited to the bank. Further, if the

funds are not receipted, they can't be applied to development accounts or receivable accounts. The bank accounts could be consolidated to allow fewer reconciles and better investment potential.

The monthly financials do not report the entire financial position because accounts payable are not being reported. This could prevent a cash flow problem from being detected early. Payables are recorded in the financials at year end.

The automated development system should be reconciled monthly with the financial accounting. This would help assure that funds received are accounted to the correct account.

The financial processes in the business office and development need to be integrated better. Further, admissions needs to be informed when payments are received for new enrollments and the business office needs to be advised to bill new students.

The School Board receives monthly statements and a cash report each monthly Board meeting. The cash statement is incomplete and has timing errors. This statement should be replaced by the balance sheet of the School, allowing the Board to understand the financial position of the School.

When the Board makes financial decisions, generally the overall financial impact of the decision is not discussed. The burden of funding a decision is passed back to the Administrator and Finance Committee. The method of funding should be presented along with the request for a decision.



## **B. Financial statement analysis for Park Christian School**

**1. Background information:** Park Christian School was formed in May, 1981, and on July 1, 1982, began to lease the former Park Elementary School building at 121 Sixth Avenue South in Moorhead. The lessor was Daystar-Gardner Ministries, Inc. and the lease payment was \$500 per year with Park Christian School paying repairs, utilities, and maintenance. Additional space was rented at the Townsite Center and the North Junior High School building in Moorhead on various occasions. On May 31, 1985, Park Christian School purchased a building at 300 North Seventeenth Street in Moorhead at a cost of \$250,353. The building was later sold to Park Christian School Partners, a real estate holding partnership. The intent of the partnership was to purchase, remodel, and lease the building to Park Christian School. The original lease term was from July 1, 1985 to December 31, 1991, with an annual rent of \$165,000 plus payment of real estate taxes on the building.

School started in the new facility in December, 1985. There were financial difficulties and uncertainties associated with Park Christian School Partners which resulted in Park Christian School Partners deeding the building to Park Christian School on June 6, 1986. The consideration associated with the quit claim deed was that the School assume liabilities of \$960,113 associated with purchase and remodeling of the building plus accrued interest related to these liabilities of \$42,546.

**2. The 1982-83 through 1987-88 time period:** Following is a brief analysis of the financial statements for the period indicated.

a. Income statement analysis

Table 37 depicts critical components of the income statements for the 1982-83 through 1987-88 time period. The following significant points can be gleaned:

1. The 1982-83 year is not comparable to subsequent years as the revenues totaled only \$83,480 and expenses totaled only \$76,799. During this period, the operating budget, number of students, and level of educational programming was minimal.
2. Between the 1982-83 year and the 1983-84 year, student enrollment increased by 22 students, or 15 percent. Subsequently, the cost of education per student rose to \$1,296. Net income for the year was positive at \$18,068. Also during this year, classroom space became a serious problem, and the School leased one classroom in the Townsite Center from the Moorhead Public School district.
3. Between the 1983-84 year and the 1984-85 year, student enrollment increased by 30 students, or 17 percent. During this year, the operating budget increased from \$242,280 to \$304,301, or by 26 percent. Even through the operating budget increased significantly due to the increased enrollment, the cost of education per student remained relatively stable as

Table 37: Critical income statement components: 1982-1983 - 1987-1988													
Year	1982-1983 <sup>(1)</sup>		1983-1984		1984-1985		1985-1986		1986-1987		1987-1988		Average Annual Compound Growth Rate 1983-1984 - 1987-1988
Data type	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	
Support and revenues	\$83,480	100.0%	\$242,280	100.0%	\$304,301	100.0%	\$499,651	100.0%	\$356,654	100.0%	\$445,562	100.0%	16.4%
Instructional expense			138,531	57.2%	217,788	71.6%	233,424	46.7%	178,341	50.0%	219,679	49.3%	12.2%
Facility expense			24,502	10.1%	48,033	15.8%	113,662	22.7%	74,061	20.8%	77,933	17.5%	33.5%
General and admin. expense													
			53,631	22.1%	57,377	18.9%	50,780	10.2%	52,510	14.7%	66,302	14.9%	5.4%
Other expense (income)			(44)	0.00018	\$89,533	29.4%	(48,912)	(9.8%)	(500,428)	0.0%	(107,910)	0.24219	603.7%
Development expense													
			7,578	3.1%	14,258	4.7%	12,964	2.6%	10,212	2.9%	10,723	2.4%	9.1%
Interest expense			14	0.0%	1,505	0.5%	11,586	2.3%	82,101	23.0%	44,445	10.0%	650.6%
Net income	\$3,681	4.4%	\$18,068	7.5%	\$54,873	18.0%	\$126,147	25.2%	\$459,857	128.9%	\$134,390	30.2%	65.1%
Number of students	151		173		203		212		210		213		5.4%
Cost of education per student	\$528		\$1,296		\$1,229		\$1,762		(\$491)		\$1,461		3.1%
<sup>(1)</sup> Note: Expense categorizations depicted above for 1983-1984 through 1987-1988 were not utilized in the 1982-1983 academic year.													

enrollment also was increased significantly. Net income for the year was positive at \$54,873.

Classroom space became a constraining resource, and the School leased five classrooms in the North Junior High building from the Moorhead Public School district. In April, 1985, the decision was made to purchase the new building. The financing vehicle used to finance the building was the Park Christian School Partners real estate partnership.

4. Between the 1984-85 year and the 1985-86 year, student enrollment increased by 9 students, or by 4 percent. During this year, the operating budget increased from \$304,301 to \$499,651, or by 64 percent. Due to the limited increase in enrollment and the large increase in the operating budget, the cost of education per student rose to \$1,762. In December, 1985, operations were moved to the new building. Also during this year, financial problems associated with remodeling the building began to occur. These problems were accentuated by limited enrollment growth.
5. Between the 1985-86 year and the 1986-87 year, student enrollment decreased by 2 students, or .1 percent. During this year, the operating budget decreased from \$499,651 to \$356,654, or by 28 percent. This was mostly due to a decrease in contributions of \$175,817 from 1984-85 amount.

During this year, extreme financial pressure existed. Projected enrollment increases did not materialize, building renovations were

materially in excess of budget, and numerous vendors/lenders could not be paid on time. The amount of \$500,428 reflected as other income, was received as a result of debt cancellations and pleas for increased giving. On June 6, 1986, Park Christian School Partners deeded the building to Park Christian School with the stipulation the School would assume all outstanding debts (\$1,002,659.) of the partnership. Due to the \$500,428 of other income, the \$459,857 net income reported in 1986-87 was distorted from an economic perspective as was the (\$491) cost of education per student. As a result of the building purchase and renovation during 1985-86 and 1986-87, Park suffered financially and its reputation in certain facets of the Christian and secular communities was tarnished.

6. Between the 1986-87 and the 1987-88 years, student enrollment increased by 3 students, or .1 percent. During this year, the operating budget increased from \$356,654 to \$445,562, or by 25 percent. As was the case in 1986-87, a significant sum, \$107,910, was received through debt cancellations and pleas for increased giving. This factor allowed the School to attain a positive net income of \$134,390 for the year, and keep the cost per student low at \$1,461. This was despite the fact that enrollment only increased by .1 percent, and the fact that the operating budget increased by 25 percent.

7. The last column on the table depicts average annual compound growth rates for various revenue and expense categories between 1983-84 and 1987-88. The following items should be noted in relation to this column:

Support and revenues, which includes tuition, church support, and contributions, increased by 16.4 percent per year.

With the exception of facility expense, which increased at 33.5 percent per year due to the move to the new location, and other income, which increased significantly due to dedicated monies received for building purchase and renovation, all other expense categories increased at annual rates less than the 16.4 annual percentage increase in support and revenues.

The annual net income throughout the entire 1982-83 through 1987-88 time period was positive. However, after the move to the new building, the annual positive net incomes were achieved under an element of duress.

#### b. Balance sheet analysis

The following table depicts critical components of the balance sheets for the 1982-83 through 1987-88 time period and reveals:

1. Prior to moving to the new building in 1984-85, the School was a relatively low budget operation with a conservative financial structure. In 1982-83 and 1983-84 note the following:

Table 38: Critical balance sheet components: 1982-1983 - 1987-1988						
Year	1982-1983	1983-1984	1984-1985	1985-1986	1986-1987	1987-1988
Current assets	\$21,025	\$38,000	\$53,829	\$184,183	\$104,955	\$43,247
Endowment						50,000
Net fixed assets	37,678	32,655	381,309	1,296,715	1,205,598	1,201,215
Total assets	\$58,703	\$70,655	\$432,138	\$1,480,898	\$1,310,553	\$1,344,462
Total debt	\$15,720	\$12,911	\$322,521	\$1,242,134	\$611,932	\$511,451
Total equity	\$42,983	\$51,744	\$112,617	\$238,764	\$698,621	\$833,011
Debt/equity ratio	0.37	0.22	2.86	5.20	0.88	0.61
Debt per student	\$104	\$75	\$1,589	\$5,895	\$2,914	\$2,401

Current assets, the vast majority of the category was cash, constituted 36 percent and 54 percent of total assets in 1982-83 and 1983-84 respectively. The remaining balance of total assets, 64 percent in 1982-83 and 46 percent in 1983-84, where fixed assets which were primarily leasehold improvements and instructional equipment.

Total debt was a small portion of total equity as evidenced by the .37 debt to equity ratio in 1982-83 and the .22 debt to equity ratio in 1983-84.

2. Once the School moved to the new building, the investment in net fixed assets increased significantly with the balance being \$381,309 in 1984-85 and \$1,201,215 in 1987-88. The School became increasingly leveraged during this time period as it struggled to finance the building purchase and renovation. The increased leverage is reflected by the following debt to equity ratios during this time period:

1984-85:	2.86
1985-86:	5.20
1986-87:	0.88
1987-88:	0.61

As of June 30, 1988, total debt was reduced to \$511,451 from the \$1,242,134 amount in 1985-86. However, as indicated earlier in this section of the Strategic Plan, the School's reputation was somewhat tarnished in the process of accomplishing the debt reduction.



3. Also beginning in 1987-88, a scholarship endowment began with a dedicated gift from a major donor. The balance was \$50,000 at June 30, 1988.

**3. The 1988-89 through 1992-93 time period:** This section provides a more detailed analysis of the specified time period.

a. Income statement analysis

The following tables, 39 and 40, depict critical components of the 1988-89 through 1992-93 income statements. The following factors can be gleaned.

1. Revenues and support increased at an average annual compound growth rate of 19.8 percent during this period. Within this category, the following are significant:

In absolute dollars, tuition revenues increased from \$281,970 in 1988-89 to \$538,751 in 1992-93. As a percentage of total revenues and support, tuition decreased from 67.0 percent in 1988-89 to 62.2 percent in 1992-93. The decrease primarily resulted from the increasing percentage of total revenues and support supplied by contributions during this period.

In terms of nominal and real dollars, dollars adjusted for the effects of inflation, tuition increased as shown in Table 41.

If the average annual compound growth rates from 1989-90 through 1993-94 for the above two categories are calculated in real dollars, the rates are:

Table 39: Critical income statement components: 1988-1989 - 1992-1993

Year	1988-1989 <sup>(1)</sup>		1989-1990		1990-1991		1991-1992		1992-1993		Average annual compound growth rate 1988-89-1992-93
	\$	%	\$	%	\$	%	\$	%	\$	%	
Support and revenues	\$420,772	100.0%	\$480,217	100.0%	\$604,249	100.0%	\$609,877	100.0%	\$866,567	100.0%	
Instructional expense	233,492	55.5%	252,353	52.5%	285,474	47.2%	332,625	54.5%	421,386	48.6%	19.8%
General and admin. expense	97,502	23.2%	105,062	0.0%	121,192	20.1%	132,349	21.7%	143,639	16.6%	15.9%
Facility expense	85,825	0.0%	91,726	19.1%	95,867	15.9%	101,169	16.6%	115,276	13.3%	10.2%
Development expense	24,461	5.8%	35,632	0.0%	\$69,599	11.5%	56,283	0.0%	107,074	0.0%	7.7%
Interest expense	40,777	9.7%	41,823	8.7%	28,320	4.7%	36,847	6.0%	36,146	4.2%	44.6%
Other expense (income)	(\$23,216)	5.5%	(31,827)	6.6%	(11,045)	(1.8)%	(29,756)	(4.9)%	(6,064)	(0.7)%	(3.0)%
Net income	(\$38,069)	(9.0)%	(\$14,552)	(3.0)%	\$14,842	2.5%	\$19,640	3.2%	\$49,110	5.7%	(28.5)%
Number of students	200		203		248		257		312		-0.23
Cost of education per student	\$2,294		\$2,437		\$2,376		\$2,449		\$2,620		3.4%

Table 40: Revenue and support segmentation: 1988-1989 - 1992-1993

	1988-1989		1989-1990		1990-1991		1991-1992		1992-1993	
Tuition	281,970	67.0%	310,959	64.8%	399,637	66.1%	434,520	71.2%	538,751	62.2%
Contributions	94,418	22.4%	126,317	26.3%	132,911	22.0%	115,533	18.9%	258,251	29.8%
Fundraising (less expenses)	19,290	4.6%	18,289	3.8%	40,591	6.7%	24,534	4.0%	28,295	3.3%
Bus income	14,022	3.3%	11,186	2.3%	15,079	2.5%	16,057	2.6%	20,199	2.3%
Church support	\$7,460	1.8%	\$8,466	1.8%	\$11,031	1.8%	\$14,233	2.3%	\$11,071	1.3%
Endowment	3,612	0.9%	5,000	1.0%	5,000	0.8%	5,000	0.8%	10,000	1.2%
Total revenues and support	\$420,772	100.0%	\$480,217	100.0%	\$604,249	100.0%	\$609,877	100.0%	\$866,567	100.0%

Table 41: Tuition increases in nominal and real dollars										
Year	1989-90		1990-91		1991-92		1992-93		1993-94	
	Nominal dollars	Real <sup>(1)</sup> dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars
Kinder-garten	\$911	\$911	\$950	\$901	\$950	\$865	\$950	\$840	\$992	\$851
First-eighth grade	\$1,595	\$1,595	\$1,722	\$1,634	\$1,774	\$1,615	\$1,871	\$1,654	\$1,983	\$1,702
(1) Note: Real dollars were determined using change in the Consumer Price Index with 1989-90 as the base year.										

Kindergarten (1.69%)

First Eighth Grade 1.64%

This suggests that Kindergarten tuition remained reasonable, actually declining somewhat in terms of real dollars, during the period. However, tuition for first through eighth grade rose significantly, 1.64 percent in real dollars, throughout the period. In the Fargo-Moorhead economy, many non-professionally employed individuals have had, at best, nominal wage adjustments. The tuition increases in real dollars have the effect of pressuring these individuals financially.

- Contributions increased from \$94,418 in 1988-89 to \$258,251 in 1992-93. In terms of the percentage of total revenues and support, contributions increased from 22.4 percent in 1988-89 to 29.8 percent in 1992-93. This reflects the increased importance and effectiveness of the development effort. During this time period, the development position moved from a

part-time position, to a full-time position, to a full-time position with a paid full-time capital campaign consultant.

3. The emphasis in fundraising projects stabilized between 1988-89 and 1992-93 such that by 1992-93 two fundraising projects were held annually. The two projects are the coupon book sale in the fall and the food-a-thon in the spring. These projects typically yielded between \$25,000 and \$30,000 in annual revenues.
4. Bus income as a percentage of total revenues and support declined from 3.3 percent in 1988-89 to 2.3 percent in 1992-93. This reflects the busing policy which subsidizes children riding on Fargo bus routes. The intent was to increase enrollment from Fargo, and the policy seems to have worked effectively.
5. Church support as a percentage of total revenues and support was immaterial, hovering between 1 percent and 2 percent, throughout the entire period. Even though sponsoring churches exercise significant authority in School matters, they appoint Board of Director members, they provide minimal monetary support.
6. Endowment revenues reflect designated contributions received from donors for scholarships. The endowment contributions throughout the time period were steady and were primarily from one donor.
7. Instructional expense includes non-administrative salaries, textbooks, teaching supplies, expenses associated with busing students, and expenses

associated with auxiliary activities, i.e. day camp, music and band, physical education, library, and educational testing. Instructional expense increased at an average annual rate of 15.9 percent which is less than the 19.8 percent average annual rate increase in revenues and support. Teachers salaries during this period varied as follows:

Table 42: Changes in teacher salaries in nominal and real dollars										
	1989-90		1990-91		1991-92		1992-93		1993-94	
	Nominal dollars	Real <sup>(1)</sup> dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars	Nominal dollars	Real dollars
High	\$16,720	\$16,720	\$17,100	\$16,203	\$18,810	\$17,117	\$19,570	\$17,300	\$20,330	\$17,443
Median	\$14,300	\$14,300	\$13,557	\$12,866	\$15,593	\$14,190	\$15,579	\$13,772	\$15,783	\$13,541
Low	\$11,000	\$11,000	\$11,250	\$10,676	\$12,746	\$11,599	\$13,068	\$11,552	\$13,576	\$11,648
<sup>(1)</sup> Note: Real dollars were determined using change in the Consumer Price Index with 1989-90 as the base year.										

If average annual compound growth rates from 1989-90 through 1993-94 for the above three categories are calculated in real dollars, the rates are as follows:

High	1.1%
Median	(1.4%)
Low	1.4%

This suggests that the increases in teachers' salaries which occurred over the time period allowed teachers to do well in terms of purchasing power. There was a slight purchasing power advantage received by high

and low paid teachers and a slight purchasing power disadvantage given to teachers in median salary ranges.

8. General and administrative expense reflects administrative and clerical salary expenses, office expenses, and miscellaneous administrative expenses. The amount increased at a 10.2 percent average annual growth rate during the period.
9. Facility expense reflects all expense categories associated with upkeep of the building and grounds. The amount increased at 7.7 percent moderate average annual growth rate during the period.
10. Development expense reflects the development director's salary, expenses associated with the development effort, the annual banquet expense, the capital campaign consultants expense, and expenses associated with the capital campaign. The 44.6 percent average annual compound growth rate reflects movement from a part-time to full-time development director, and movement to a full-time development and capital campaign consultant.
11. Interest expense decreased from \$40,777 or 9.7 percent of revenues and support in 1988-89 to \$36,146 or 4.2 percent of revenues and support in 1992-93. This decrease reflects the reduction in outstanding School debt and the increase in the operations budget that took place during the period.

12. Other income relates primarily to contributions received which were designated for building expenditures. The amount fluctuated from a low of \$6,064 in 1992-93 to a high of \$31,827 in 1989-90.
13. Net income fluctuated significantly throughout the 1988-89 through 1992-93 time period from a loss position of \$38,069 in 1988-89 to an income position of \$49,110 in 1992-93. During the 1988-89 and 1989-90 years, enrollment was "flat," the development director position was a part-time position, and the school debt was higher than it was in later years. The collective interaction of these factors was largely responsible for the losses incurred.

During the 1990-91 through 1992-93 time period: enrollments increased substantially; the development director position became full-time, and contribution income increased substantially. All years were profitable with the exception of 1991-92. The loss in 1991-92 was primarily caused by the large increase in teachers' salaries. This increase resulted in instructional expense equalling 54 percent of revenues and support in this year.

14. The cost of education per student during this time period increased at an average annual rate of 3.4 percent. This was caused by the absolute level of expenses increasing at a faster rate than the increased enrollment during this time period. Increases in teachers' salaries, staff salaries, program offerings, development activities, and depreciation associated with facility

additions were all part of the increase in total expense which took place during this time period.

b. Balance sheet analysis

Table 43 depicts critical components of the 1988-89 through 1992-93 balance sheets. The following factors can be gleaned from the table:

1. Current assets, which consists primarily of cash, with the exception of 1992-93 in which current assets reflect a house gifted to Park as part of the capital campaign with an estimated fair market value of \$41,000, grew steadily throughout the period. Most of the cash balance reflected in the June 30th balance sheets related to monies owed to teachers, electing to receive their annual salary over a twelve month period and to deferred revenues for the start of the next school year. Minimal amounts of discretionary cash existed at the end of any of these years.



Table 43: Critical components of the balance sheet: 1988-1989 1992-1993					
	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993
Current assets	\$47,254	\$64,922	\$83,359	\$97,353	\$149,178
Endowment	\$50,000	\$55,000	\$60,000	\$65,000	\$75,000
Net fixed assets	\$1,197,295	\$1,160,566	\$1,127,426	\$1,090,760	\$1,077,601
Total assets	\$1,294,549	\$1,280,488	\$1,270,785	\$1,253,113	\$1,301,779
Total debt	\$497,113	\$495,522	\$474,924	\$469,788	\$468,991
Total equity	\$797,436	\$784,966	\$795,861	\$783,325	\$832,788
Debt/equity ratio	0.62	0.63	0.60	0.60	0.56

2. The scholarship endowment increased steadily from \$50,000 in 1988-89 to \$75,000 in 1992-93.
3. Net fixed assets declined from \$1,197,295 in 1988-89 to \$1,077,601 in 1992-93. This reflects the fact that net fixed asset additions which took place during the time period were less than the depreciation expense recognized during the period.
4. Total outstanding debt decreased moderately during the time period from \$497,113 in 1988-89 to \$468,991 in 1992-93. This, combined with a moderate increase in equity, from \$797,436 in 1988-89 to \$832,788 in 1992-93 caused the leverage position of the School to improve by the decreasing debt to equity ratio from 0.62 in 1988-89 to 0.56 in 1992-93.

c. Statement of cash flow analysis

The following table depicts critical components of the 1988-89 through 1992-93 statement of cash flow and reveals the information detailed below:

1. In terms of net income, the School was basically a "breakeven" operation between 1988-89 and 1992-93 with cumulative net income totaling (\$8,279). For a non-profit institution, a breakeven result is acceptable. However, a small positive net income, i.e. 1 percent to 2 percent of total revenues and support, is a more preferable position which would allow a small cash reserve to accumulate.
2. Adjusting the (\$8,279) for total depreciation expense of \$285,082 incurred during that time period, yields \$276,803 gross cash flow. The \$276,803 of

gross cash flow was increased by \$13,907 due to liabilities incurred but not paid, to yield cash flow

Table 44: Critical component of the statement of cash flows: 1988-89 - 1992-93						
	1988-89	1989-90	1990-91	1991-92	1992-93	Total
Net income	(\$38,069)	(\$14,522)	\$14,842	(\$19,640)	\$49,110	(\$8,279)
+ Depreciation expense	<u>54,618</u>	<u>55,619</u>	<u>57,633</u>	<u>57,989</u>	<u>59,223</u>	<u>285,082</u>
= Gross cash flow	16,549	41,097	72,475	38,349	108,333	276,803
± Change in operating assets	<u>6,770</u>	<u>25,617</u>	<u>(2,622)</u>	<u>25,222</u>	<u>(41,080)</u>	<u>13,907</u>
= Cash flow from operations	23,319	66,714	69,853	63,571	67,253	290,710
- Cash flow from investing activities	(7,573)	(23,157)	(29,493)	(26,320)	(56,065)	(142,608)
- Cash flow from financing activities	<u>(12,436)</u>	<u>(18,279)</u>	<u>(20,007)</u>	<u>(31,895)</u>	<u>1,814</u>	<u>(80,803)</u>
= Change in cash	3,310	25,278	20,353	5,356	13,002	67,299
+ Beginning cash balance	<u>27,742</u>	<u>31,052</u>	<u>56,330</u>	<u>76,683</u>	<u>82,039</u>	
= Ending cash balance	\$31,052	\$56,330	\$76,683	\$82,039	\$95,041	

from operations of \$290,710. This is the amount of cash which is available to fund capital asset acquisitions and service outstanding debt.

3. Of the \$290,710 in gross cash flow, \$142,608 was used for equipment purchases and building improvements and \$80,803 was used for debt service. This resulted in a remaining balance of \$67,299. This balance, added to the beginning cash balance in 1988-89, yields the ending cash balance at June 30, 1993 of \$95,041.

**4. The 1993-94 budget:** The 1993-94 budget reflects revenues and support of \$925,072 and total expenses of \$888,762 which yields a projected net income of \$36,310. As of April 30, 1994, \$983,875 of revenues and support had been received of which \$294,798 related to the receipt of capital campaign pledges. Total expenses incurred as of April 30, 1994 were \$797,871. Year to date income through April 30, 1994 was \$185,984.

With the advent of the capital campaign in the fall of 1993, the budgeting process has become more uncertain. Predicting the timing of receipt of capital campaign pledges is difficult. The receipt of significant capital campaign pledges largely accounts for the positive net income variance which existed at April 30, 1994. It is probable that 1993-94 and 1994-95 will be "strong" financial years with the concurrence and conclusion of Phase I and Phase II of the capital campaign in June 30, 1995.

After June 30, 1995, it is anticipated that many of the stated capital campaign goals will be met. However, dedicated and deferred giving will probably

prevent elimination of the entire School debt. Notwithstanding these gifts, the Burlington Northern property should be purchased, building and gymnasium construction should be started, the scholarship endowment should be increased, the parking lot should be resurfaced, and the leverage position of the School should continue to improve.

However, another capital campaign will need to be launched for no other reason than to fund the annual operating needs not met by tuition and fees for 1995-96 and future years. Given the transitional state of the development effort, appropriate personnel need to be hired and effective planning initiated in the near term future.

### **C. Role of the Finance Committee**

Park Christian School's organizational structure includes a Finance Committee which is a subcommittee of the School Board. The Finance Committee makes input in determining tuition costs, budgets, teacher and staff salaries, and overall financial development goals.

**1. Overall operation of the Finance Committee:** The general function of the Finance Committee seems to be providing wisdom and balance in financial matters, in addition to providing expertise in financial management and direction for the School Board. Finance Committee responsibilities also include assisting the Administrator in financial decisions, avoiding potential financial pitfalls, being a source of information, and ultimately, communicating this information to the School Board.

A Finance Committee Chairperson is appointed annually according to the constitution. Committee members are appointed for a term of up to three years and may be re-appointed for one additional three year term. After serving a second term, members are ineligible for re-appointment for a three year period. In addition, a complete listing of all Committee members, including Chair, shall be submitted to the School Board by October 1 of each year, or when changes are made (Park Constitution: Article 8-Section 2).

Meetings are called on an as needed basis throughout the year. Minutes, agenda and notice of future meetings are communicated in an irregular fashion. In the past, regularly scheduled meetings have been communicated to Committee members as little as 16 hours before the meeting time.

**2. Composition of Finance Committee:** The current composition of the Finance Committee consists of individuals with a variety of expertise and backgrounds: budgeting, accounting, finance, retailing, salaried workers, self-employed individuals, and business owners. The current Committee brings a depth and wide-range of expertise in budgeting, financial planning, and overall management issues.

It should be noted, however, that a primary function of the Finance Committee is reviewing and coordinating activities of the Development Coordinator in regard to financial development and fundraising. It would appear the current Committee could benefit from some individual with expertise in this area.

At this time, the Finance Committee does not include any members with direct access to the wealthy individuals in the community. This will have significant impact when the capital campaign ends in July, 1995, and the Finance Committee will have to revert to meeting the "gap."

**3. Relationship to Park School Board:** Finance Committee's present relationship to the Board is maintained through a Board Representative on Committee, in addition to the School Administrator presenting all decisions, recommendations, etc. to the School Board. There is a perception from the Finance Committee that communication and interaction between the School Board and Finance Committee is somewhat limited. There could be more communication between the two entities regarding upcoming issues or decisions significantly impacting the School. It is essential both the School Board and Finance Committee have clear visions and goals for Park Christian. Decisions and/or recommendations made by both groups can significantly impact the other. Free-flowing information between Board and Committee is critical.

**4. Involvement in budgeting process:** Park's fiscal year-end currently is June 30 of each year. This roughly coincides with the school year, allows for collection of final tuition from the previous year, and is a reasonable cut-off for the School's financial year. Historically, salary determinations for the next school year are made without a preliminary budget and are determined from January through March of each year. A preliminary budget is typically presented, discussed and approved at a committee meeting near the end of the current

school year. A final budget is not presented or approved until September or October of the new school year. At the present time, the Finance Committee provides limited input into the budgeting process. It is unclear the level of involvement of administration, teachers, School Board, Facilities Committee or Finance Committee has in this overall process.

Current financial reporting for the School tends to be unclear, and at times, lacking in value or usefulness. The current cash report presently in use does not present an accurate overall cash picture for the School. Year-to-date revenues and expenditures are not compared to budgeted year-to-date numbers. As a result, Finance Committee makes decisions that significantly impact the financial affairs of the School with limited or inaccurate information.

**5. Overall comments:** The Finance Committee provided valuable, reasoned, and prayerful recommendations to the School Board. Though this Committee has been useful, the expertise and depth of individuals on this Committee would allow it to be much more. The following are strategies to enhance the value of Finance Committee:

Lines of communication should be improved between Finance Committee, School Board, Development, Administrator, Strategic Planning, Facilities, Curriculum and Administration. This is most critical within the budgeting process which should include input from the above and teachers.

Committee members should be appointed to a specific term and clearly informed of the responsibilities of Finance Committee membership.



Notice of meeting, publishing of past minutes, and proposed agendas should be given to Finance Committee members well in advance of the next meeting date.

Training should be provided to Committee members regarding the information presented to Finance Committee and how the information can be interpreted.

Preliminary budgets should be made available to Finance Committee members in advance of significant financial decisions (tuition rates and teachers salaries).

There is a perception that issues presented to Finance Committee have been decided before the meeting is held; discussion and resolution of this issue is strongly encouraged. Therefore, the role of the Finance Committee needs to be clearly defined to utilize the depth and expertise of Committee members.

## **XI. Key Factor For Success**

Throughout the strategic planning process, a number of problems or situation requiring attention have been identified. However, continued and enhanced success at Park Christian School requires that energies and resources be directed at the critical situations. Therefore, this section presents those factors called the Key Factors For Success, which the consultants believe require focused attention during the next twenty-four months.

1.     Finances: The success of Phase I, and the apparent success of Phase II of the capital campaign have created an excellent position for Park. However, starting July 1, 1995, Park will have a gap to fill, a debt which has not been retired, and an inexperienced Development Coordinator. With the potential that many donors are financially exhausted, immediate action is required.
2.     Ninth grade: There appears to be substantial support for a ninth grade and some believe that a feasibility study should be conducted during the 1994-95 school year. The consultants do not believe that a feasibility study is warranted and the ninth grade should be reconsidered during the 2000-01 school year. This issue should be resolved and the decision communicated to everyone to avoid revisiting it each year.
3.     Administrative structure: Park has outgrown its organizational structure and the Administrator needs additional supporting personnel to retain the School's overall effectiveness. Rather than making marginal or small

adjustments to the current structure, it is recommended that the entire administrative structure be evaluated.

4. Board design: Currently, Park utilizes two essential boards, the Finance Committee and the School Board. Both are effective, but members of both also believe that performances of each could be enhanced substantially.
5. Administrative style: Park is a very good school, but to move to even higher levels of performance, Park should use leadership and benchmarking to implement a total quality system which will enhance communications and overall performance. It will be almost impossible to achieve excellence at Park with traditional management practices.

## **X. Strategic Recommendations**

Experts have suggested that strategic plans should be discarded, but the planners retained. Other have suggested that the major benefit derived from planning is not the strategic plan, but rather that it forces people to focus on the future. Therefore, the following strategies are not designed to be engraved in concrete, but rather are intended to help Park focus on the future, and develop a management structure which allows the School to proact to changes in the environment. Each strategy implementation contains numbered, specified tasks and lines of responsibility.

# Strategy 1: Organizational structure

**Rationale:** To fine tune the overall performance of Park Christian School, the following organizational issues are presented for consideration.

## **Implementation:**

1. Pastors of sponsoring churches: From Park's perspective, the pastors of the sponsoring churches have a minor involvement in Park's operations. While some might prefer a higher level of involvement, it is not going to occur because Park is operating effectively, churches have Board members, and pastors have too many time demands. Therefore, accept the level of participation and consider:

The key role of sponsoring churches and pastors is their part in marketing. Therefore, focus on access for literature tables and presentations.

The fall luncheon for Evangelical pastors is effective and well-received.

Continue sending the Board minutes to pastors because they are read.

Consider a luncheon for sponsoring churches pastors each spring that includes discussion of relevant information and strategic plans.

Also, include time for a frank discussion of perceptions of Park.

This meeting should include the Administrator, Board President, Admissions Counselor, and the pastors.

2. Parent-Teacher Fellowship: At this time, the PTF is at a crossroads, as changing lifestyles have left some of its functions impossible, while others are effective. A committee consisting of a Board member, the PTF President, a parent active in PTF, a parent inactive in PTF, and a teacher should be appointed to determine if PTF is worth salvaging. If the decision is yes, evaluate its success and failures for each event held in 1993-94. In addition, evaluate the percent of families participating in each event, and the families which do not participate in any event. Are skate nights used by a small or large percentage of families during a year? If PTF is retained, develop a Mission Statement and objectives which will allow effective functioning in the late 1990's. If a survey of parents is completed during the 1994-95 school year, several questions should be allocated to the PTF.
3. Administrative staffing: Park has grown substantially, while adding little administrative staffing. While some changes are occurring presently, it is essential for the School Board and Administrator to evaluate the total administrative needs of Park to the year 2000 and develop an administrative structure leading to that design. Factors to consider are adding a Principal, the role of the Administrator in fundraising, the role of the Development Coordinator, and the role of the Admissions Counselor.

It is not humanly possible for the small staff to continue to complete all of the necessary activities as Park continues to grow. However, it is essential to consider these needs in light of the current financial situation which does not appear to provide excess funding. Overall, a reorganization is necessary. It is recommended that zero-base staffing be used, which involves starting over in designing an administrative structure, rather than fine tuning the existing structure.

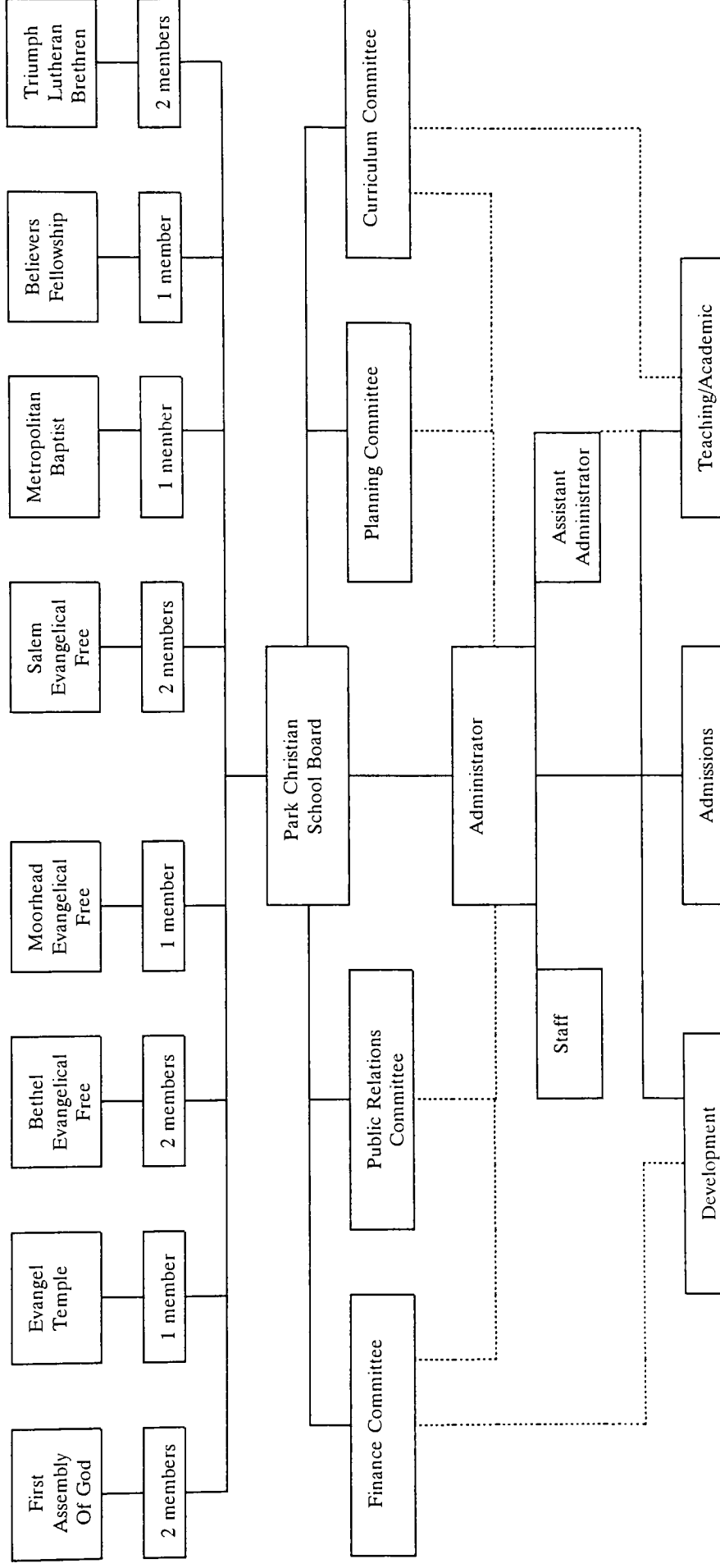
4. Organizational chart: The existing organization is confusing and does not display lines of authority or responsibility. Create a pictorial representation of the lines of communication, responsibility, and participation of each staff position, committee, and department. Several approaches to the organizational structure can be made. Following is a starting point for the organizational chart.
5. Mission and Vision Statements: While the Mission and Vision Statements, and Park's Philosophy are current, they are not widely disseminated. Yet, they can be used to communicate the personality of Park to a variety of publics. Include them in more publications of Park, insert them in the weekly newsletter and advertising materials, and post them in the School so they are visible to students.
6. Use of volunteers: Park should explore alternative strategies to utilize parent volunteers to perform various functions within the school. At this time, this is a resource which is under-utilized.

**Time line:** Tasks 2, 3, 4, and 6 should be completed during the 1994-95 school year. Tasks 1 and 5 are ongoing.

**Responsibility:** Tasks 1 and 6 are the responsibility of the Administrator. Task 2 should be completed by the committee appointed by the Administrator. Tasks 3 and 4 should be the responsibility of the School Board, Administrator, and a personnel expert. Task 5 should be handled by the office staff.



Table 45: Alternative organizational chart for Park Christian School

Responsibility

.....Participation

## Strategy 2: Strategic planning

**Rationale:** Park has continually performed extremely effectively in recruiting students, fundraising, debt reduction, and delivering quality instruction. To maintain this, it is essential to activate the Strategic Planning Committee of the School Board.

### **Implementation:**

1. Strategic planning process: Assign one Board member familiar with planning to head the committee. Appoint two teachers and two parents to the Committee which could meet two to four times a year to update the plan and analyze environmental changes. The primary focus next year could be continued development of the ongoing data base. This includes identifying specific data needed for planning, establishing systems to collect and analyze the data, and develop a reporting system to make the information available to the Board.

A second task should be establishing a scan, clip, and review system in which teachers and Board members scan five periodicals they normally do not read. They can range from highly technical to popular. Each person clips all articles they think are interesting regarding future trends and shares them.

2. Mission and Vision Statements: The current Vision Statement of Park Christian School reads "We aim to become the best Christian school in

America." Some felt that this could not be measured, and was too aggressive. However, excellence is seldom achieved without aggressive goals! Currently, two Mission Statements exist; a full and an abbreviated version. This will tend to create confusion, thus, it is recommended that they be reviewed and consolidated into one. Usually, a briefer Mission Statement is more useful and enlightening for general use.

3. Avoid strategic drift: Strategic drift occurs when organizations loses their focus by adding activities which are only semi-related to their mission. Generally each new activity was an excellent opportunity, but collectively, they create the loss of focus. Interviews revealed that everyone feels pressured by the many time demands. Are there areas that can be cut without decreasing Park's excellence? Also, identify potential issues which might create strategic drift. Some issues involve defining the appropriate balance of social and spiritual needs beyond the normal classroom for both teachers and students. Churches have excellent programs for adults and children that Park does not have the financial or human resources to duplicate. Strategic drift can also involve adding grade levels, such as a pre-school, if it does not fit within the overall mission. There is no "right" mission for Park, and it will certainly evolve over time. It is critical to evaluate each new idea against the Mission Statement and the cost in finances and labor, rather than against need.

4. Planning resources: Park is in the process of acquiring 16 acres of land, expanding the building, and purchasing equipment. Each of these require planning to insure that Park is a good steward of the money and resources available. An overall plan with major teacher input should be developed which includes and prioritizes classroom equipment, playground equipment, facilities, carpet replacement, and other resources. At this time, there is no investment to cover depreciation of capital assets. While Park is several years away from major repairs, we must start planning now to maintain the facilities.
5. Target marketing: To avoid strategic drift, in the overall strategic planning of Park, it is essential to identify specifically which groups of people we will serve. It is foundational in massing resources to meet the needs of customers. At this time, the target market includes: Evangelical Christian families with children in grades K through 8 living in Moorhead, Minnesota, and Fargo, and West Fargo, North Dakota. Because of the relatively high tuition, we could also add that the target market is often restricted to families with average incomes or above. At this time, resources do not allow broadening the target market. Park will continue to accept those from beyond the geographic boundaries, if they provide their own transportation. Because we do not have comprehensive "special services" available within the School, children requiring such specialized support are not considered part of our target market. And while not

addressed within this plan, the changing cultural diversity within the community must be considered.

6. **Positioning statement:** Positioning refers to creating a clear and distinct image in the mind of the customer. To illustrate, the name Haagen Dazs, Cadillac, and Hersheys all create an instant picture in our minds. During the interview process, parents stressed strongly that they wanted a Christian environment. Some also stressed a high quality education. When those who did not identify quality were asked about it, they stated they assumed quality academics. When asked to rank quality and Christian education, quality came out a very close second, generally a 9 or 9.5 on a scale of 10. A Christian education always came out 10. The current positioning strategy focusing on the Christian education slightly more than quality seems appropriate. However, it is essential to include quality for Park because of the demographic profile of Fargo and Moorhead. Can a slogan be developed? The key to positioning is to very accurately understand what your customer wants and clearly create the image in their mind that only Park Christian School can fill that need.

**Time line:** Tasks 1, 3, 5, and 6 are ongoing. Tasks 2 and 4 should be addressed during the 1994-95 school year.

**Responsibility:** The Board should assume responsibility for all planning tasks. However, it should delegate some responsibilities to appropriate committees and individuals. Task 4 should include the Administrator and teachers.

## Strategy 3: Enhance School Board performance

**Rationale:** As Park grows, the demands on the Board become more complex and require more specialized expertise.

### **Implementation:**

1. Evaluate the purpose of the Board, and define what its role should be in the year 2000. Will Park need a committee-type Board, which is actively involved in operating decisions, or will it need a strategic-guidance type Board which meets less frequently to provide overall directions? The consultants recommend that a strategic Board be seriously considered.
2. Evaluate if a twelve-member Board is the ideal size. Because of Board size, do some members fail to contribute? Would a seven or eight person Board work better? Confer with pastors of the sponsoring churches in the evaluation.
3. Implement a training program for Board members. This should start with a half day program for new members, focusing on mission, vision, duties of a Board member, specific responsibilities of Board members, etc. However, the training cannot stop here, therefore, an annual training program should be implemented. The Board must identify the specific needs that it faces in successfully completing its tasks. Some suggestions might include financial planning, marketing, and human resource management. There are also experts available in school board operations

and their skills should be utilized. Richard Ott, Chair of the North Dakota School Board Association provides board training. The Education Administration program at Tri-College University could also be a resource.

4. Develop a packet of information for new Board members. Current members suggestions for materials to include:

- What does a Board member do?

- What is expected of Board members at meetings?

- What are the current issues before the Board?

- Committees of the Board/function & membership

- What is the vision for Park Christian?

- How does a Board member fit into that vision?

- What are the five-year goals and what part will Board members play in achieving those goals?

- Creative ways to stay in touch with teachers

- Resolving conflicts that come up at meeting

- Insights for Christian School Board Members by Roy Lowrie Jr.

5. Identify specific types of skills which the Board needs to function effectively, and develop a recruitment program to get this expertise on the Board. Consider:

- Finance (perhaps two individuals)

- Human resource management

- Legal

Marketing

Engineer or architecture

Before vacancies occur, efforts should be made to identify and recruit potential candidates who meet these qualifications. In addition, the Board should include several parents who are selected because of their concern for Park, and not their expertise.

One concept which has gained some acceptance is having teacher/employees on the Board. In other industries, employee representation on boards has not worked effectively because the Board needs to represent broader constituents. At this time, the consultants recommends that we do not have teacher/employees on the Board.

Should the number of public school teachers on the Board be reduced?

6. Teachers disagree with the recommendation in task 5 and feel they need greater access to the information of the School Board. The Board should consider alternatives to enhance communications such as providing minutes (with personnel, specific admissions, and other legal issues deleted) to all employees. Public schools have open meetings. Companies have found that performance generally increases as information is provided to employees, and Park should not fear sharing Board information.
7. Consider subscribing to the Aspen's Board & Administrator which provides leadership techniques for non-profit board members. The cost is \$111 per



year for one subscription which includes one publication and an insert for each board member. Addition publications can be purchased for \$5 per year. See Appendix 4 for a sample flyer and ordering information.

**Time line:** Tasks 1, 2, and 5 should be decided during the 1994-95 school year.

Tasks 3, 4, and 7 should start during the summer of 1994.

Task 6 should be handled fall of 1994.

**Responsibility:** Tasks 1, 2, 5, and 6 should receive full Board deliberation and a consultant could provide assistance..

Tasks 3, 4, and 7 should be assigned to one Board member with help from the Administrator.

## Strategy 4: Use leadership and benchmarking to implement TQM

**Rationale:** While Park currently provides very good education to students, the current vision is to be the best Christian school in America! To move from very good to the best in America can only occur with a paradigm shift in the School's operations. Quality is delivered by organizations which benchmark other organizations, have leaders not managers, and implement a total quality management system. Park should start preparing for the year 2000 by adapting these concepts now.

**Implementation:** This will require three highly interrelated, but distinct, activities benchmarking, leadership, and total quality management:

1. Establish benchmarking: "Benchmarking is a continuous search for and applications of significantly better practices that leads to superior competitive performance" (Adams: 1992). It involves identifying organizations which perform a task exceptionally and learning their tactic. Firms using benchmarking generally have a number of organizations they benchmark against from both inside and outside of their industry. "Although benchmarking is a measurement process and results in comparative performance measures, it also describes how exceptional performance is attained. The practices which lead to exceptional performance are called enablers. Thus, the process of benchmarking

results in two types of outputs: benchmarks, or measurements of comparative performance and enablers, representing the theory behind the process performance." (Watson: 1993)

2. Implement a leadership style of management: Leadership is based upon two primary factors:

**Motivation:** Strategies are generally based on an organizational skill that is, in turn, based on people. The level and nature of their motivation affect strategy implementation. There are, of course, a variety of ways to motivate people, including fear of losing their job, financial incentives, self-fulfillment goals, and the development of goals for the organization or groups within the organization such as teams or quality circles. A study by McKinsey concluded that the successful firms studied treated employees as important in many tangible and intangible ways that affected motivation. In particular, people were trusted and given the control and opportunity to make things happen. Further, individual status was enhanced by titles. There was wide use of celebration, sometimes corny, but usually oriented to recognizing individuals.

**Culture:** An organizational culture involves three elements:

A set of "shared values" or "dominant beliefs" that defines an organization's priorities. These values and belief underlie a culture by specifying what is important.

A set of norms of behavior. These are the informal rules that influence decisions and behavior throughout the organization.

Symbols and symbolic activities used to develop and nurture those shared values and norms. The history of struggle at Park's beginning, a monthly birthday party for employees, etc. would all serve this function.

In The 100 Best Companies to Work For in America, the authors describes characteristics of the firms. Most of these relate to leadership styles (Levering and Moskowitz, 1994):

If a company is a good place to work, its employees make no secret about it. The better employers usually acquire a good reputation within their industries and with their communities. People are proud to work for companies that treat them well. They become linked to these companies in more than just an employer/employee relationship. It's the presence of this feeling more than any other that sets these 100 best companies apart. They exhibit a people orientation, sense of community, trust, pride, freedom, and allowance to make mistakes.

3. Implement total quality management: During the 1990's, the term paradigm shift has become a grossly over-used term and it seems that even a change in the wind direction is called a paradigm shift by some. On-the-other-hand, some experts have suggested that there have been two paradigm shifts in history: the invention of the railroad and the invention of total quality management. While TQM has become a fad in many firms, it has paid huge dividends for those organizations which have truly adopted and implemented it seriously and professionally. TQM is defined as "an

effective system for integrating the quality development, quality maintenance, and quality improvement efforts of the various groups in an organization so as to enable production and service at the most economic levels which allow for full customer satisfaction" (Ishikawa, 1985) "Another roadblock is management's supposition that the... workers are responsible for all trouble...The workers are handicapped by the system." (Deming, 1975). Collier (1993) suggests that "service/quality performance is the best competitive weapon" and that "service/quality performance is more difficult to manage than product/quality performance." And he stresses that "to truly understand service/quality as a competitive weapon, one must truly understand service management. Service management is the bedrock of ideals, principles, and philosophy of management upon which to base an effective service/quality improvement effort."

To implement a paradigm shift within Park Christian School will require more than a weekend seminar and implementing it Monday morning. Park must seriously contemplate if it wants to achieve the benefits of organizational reengineering which will result from adopting this specific strategy. If the answer is yes, a long-term program should be established. A quality expert such as Tim Peschong could serve as a valuable resource for both design and implementation.

Recent books that can provide insight include Using Quality to Redesign School Systems by Peggy Siegel and Sandra Byrne; Total Quality for Schools: A Guide for Implementation by Joseph C. Fields; Quality & Education: Critical

Linkages by Betty McCormick; Flight of the Buffalo by James Belasco and Ralph Stayer; and The Fifth Discipline by Peter Senge.

**Time line:** By September 1, 1994, determine if the paradigm shift will be adopted. If so, during the next twelve months, start developing expertise.

**Responsibility:** Board and Administrator.

# Strategy 5: Human resource strategies

**Rationale:** In an organization offering services such as Park, human resources are the critical component.

**Implementation:**

1. Pay schedule: Salaries are lower than public or other private schools. The last plan stated that pay increases were necessary with the average of Cass and Clay County schools as the goal. Based upon Park’s finances, that goal has not been attained. To achieve progress, we must first establish a realistic benchmark. It is suggested that the higher of the ACSI average or median be used:

Existing Park	\$13,375
ACSI average	14,453
ACSI median	14,645
105% of ACSI	15,386
110% of ACSI	16,109

The second decision is to establish a specific goal. The initial goal should be the ACSI median. Then, the Board should set a long-term goal above ACSI.

Some type of retirement package might also be considered, but is unlikely during the life of this Strategic Plan. The Finance Committee should review and make information available to teachers.

Classroom budgets for supplies and other items impact teachers significantly and individual expenditures, in effect, reduce salaries. These budgets should be evaluated in light of teacher needs during the next year. Some schools have started paying for service on time-intensive and key committees. Of course, perks such as the ability to take ones child to a doctor and similar type of rewards send very strong messages that employees are valued.

2. Staff salaries: Staff salaries have not been evaluated as part of the planning process and thus, it is essential that this be completed during the coming year.
3. Using the expertise of someone knowledgeable in writing job descriptions, prepare new job descriptions. Appendix 5 provides a sample from the Moorhead Public School. Strive for a maximum of ten or preferably fewer tasks with fifteen as the absolute maximum. Tasks should be more general in nature giving the employee more discretion. Further, tasks should be prioritized and have a percentage of time allocated to each. Design job descriptions to guide and encourage people, and involve the individuals performing the job in writing the description. In addition, a performance review instrument should be developed for each type of job position. This instrument should also reflect a reasonable number of evaluation criteria and should be developed by the Administrator and teachers. See Appendix 6 for a sample from Moorhead State University.



4. While the current grievance procedure appears to be effective, it should be reviewed to insure that each step is clear, the requirements of each step are clearly defined, notification for each step is clear, and that the procedures work effectively. The grievance procedures should cover both employees and parents.
5. It appears most Park teachers do not have a formal professional development plan. For Park to remain a quality educational institution, it is essential for teachers to plan for additional training. Training can develop competence, deepen commitment, improve ability to handle responsibility, build self-esteem, strengthen communication skills, encourage personal and professional growth, create stronger team building, and contribute to spiritual growth. All of these benefit both teachers and Park and therefore, it is recommended that Park establish a more aggressive training and development program. This will involve:
  - Determine a level of funding that fits within the budget, and method to allocate limited funds between teachers.
  - Identify training that Park teachers believe they need.
  - Determine what types of programs Park will fund and establish specific policies. The policy should also identify types of funding available such as funding for substitutes, payment of tuition for Saturday programs, etc.

Financial, managerial, and psychological support systems should be established to encourage individual teachers to design and implement development programs which are not part of their evaluation process.

6. During the interview process, teachers revealed feeling time pressures. Activities and time required of teachers during evenings should be reviewed, with the goal of reducing the commitments. Perhaps, the best strategy is to review and prioritize each activity using a zero base budgeting approach.

**Time line:** Tasks 1 and 2 are ongoing, but goals should be established during 1994-95. Tasks 3 and 6 should be completed during the 1994-96 school years. Task 4 is fall of 1994, while task should be addressed during the 1994-95 school year.

**Responsibility:** Tasks 1 and 2 should be completed by the School Board and Finance Committee. Task 3 should include the person performing the job and their supervisor with the help of an expert. Tasks 4 and 5 is the responsibility of the School Board and Administrator. Task 6 should be developed by the Administrator and teachers.

## **Strategy 6: Evaluate Park's program offerings**

**Rationale:** The interview and research process revealed several program offerings which should be examined to determine the specific purpose and evaluate if the purpose is met by the current programs.

### **Implementation:**

1. Chapel: The 1993 survey revealed that satisfaction with chapel has increased significantly. Yet, the interviews seemed to reveal a concern that chapel may not be as effective as Park would like. To address this issue, review the purpose of chapel. Is it designed to provide teaching? Or worship? What is the specific goal Park wants to achieve during chapel. What age levels should be combined? Are there better ways to use chapel? Should chapel be eliminated and the time spent on Bible in the class room? Is the current focus on Bible in the class room adequate to meet the needs of students? Are the students getting the same information too many times? How does chapel fit with the scripture training in the classroom, church, Sunday School, and midweek church programs? Chapel should be reviewed to establish guidelines which enhances it and share those guidelines with chapel presenters.
2. A comparison of the Park Handbook with other handbooks indicated that it was excellent. However, areas which can be enhanced are displayed in Appendix 2.

3. Role of grades 7 and 8: The interview process revealed that there is not a common vision for the purpose or goals of grades 7 and 8. Therefore, it is essential that a common vision be created by identifying the specific purposes and goals for these grades. At this time, these grades appear to be an extension of the elementary school. Is this what we want, or do we want a Junior High? The initial step is to identify alternatives for grades 7 and 8. Next, a model should be chosen from among the alternatives. This is followed by developing strategies designed to achieve the goals specified. And the last step is to communicate to everyone the specific goals and objectives identified. Appendix 3 contains some suggestions regarding alternatives for grades 7 and 8.
4. Evaluation of course offerings: As part of the review of grades 7 and 8, and the evaluation of grade 9, Park should conduct an evaluation of course offerings. This would include examining what students need to be prepared for the future. Verbal and written communication, math, science, and other potential needs should be explored.
5. Grade 9 and High School: A number of people want Park to expand into grade 9 and eventually a complete High School. The concept of a Pre-Kindergarten has been suggested. Others have suggested a split school in which the Junior High is in a different facility. And a variety of other strategies have been advanced to enable Park to add additional grades.

Further, some see Park expanding geographically and establishing schools in other communities.

Each of these ideas have merit. But the critical issue is to identify the proper strategy within God's timing. The Board should review the current situation and make a determination of the specific strategy. Following are some thoughts:

The last Strategic Plan revealed that High Schools have much higher costs. Even a grade 9 forces Park to add at least a biology lab.

There is a belief that the cost of serving more students is only the teacher's salary. However, the financial data in Tables 38 and 40 reveals that the cost per student has generally increased when student enrollment increased.

By adding a grade 9, Park is likely to retain more Fargo students where grade 9 is Junior High. However, a grade 9 makes the transition harder in Moorhead and West Fargo where grade 9 is presently High School.

Grade 9 will have both fundraising and student recruitment implications with Oak Grove.

Before adding grade 9, Park should determine the specific strategies for grades 7 and 8. (See task 3 of this strategy).

While the consultants believes that funding for buildings and other costs should be in hand before any projects are started, others believe that Park needs to step forth in faith and establish a grade 9. Students interested in extracurricular activities are not likely to use grade 9 at Park because it delays entry into the High School programs.

In the past, the teachers at Park have been asked to bear the cost of the projects and today, their pay remains relatively low. In all probability, adding a Junior High will come at the cost of giving teachers pay increases.

Overall, the consultants believe that this decision has huge implications and should be carefully evaluated before proceeding. Based upon current costs of educating each student and the current financial situation, it appears that grade 9 is still out beyond the year 2000. However, because of the high level of interest, the School Board should take a formal action to consider a grade 9 now, or at some time in the future. The consultants recommend that the Board consider a feasibility study for the school year 2000-01 and communicate this clearly.

6. South Fargo: The population shift towards South Fargo needs to be addressed by Park. During the previous planning process, a remote Kindergarten or Pre-Kindergarten in South Fargo was discussed, but not implemented, to serve as a feeder for the Moorhead campus. At this time,

a feeder will create a problem for Park because the current enrollment in Kindergarten through grade 5 is almost full, and there would be no room for the students from the feeder system. In addition, remote sites tend to create complex management problems. And a Pre- Kindergarten will directly compete with some sponsoring churches.

Considering the current finances, Park should address the South Fargo situation by modifying the bussing system and should not consider remote sites. However, this should be reviewed at least every two years, because it will eventually need to be addressed. If a second site is considered, the political implications of locating in a church building should be seriously considered. Potential customers might see the School as related to that church, rather than to Park.

7. Enrollment management: Park has grown because of excellent recruitment and retention. As Park plans for the future, the growth of the past several years potentially could create a false euphoria. Market share has increased, and the number of total students is projected to continue to increase in the total community. However, Park's growth has resulted from filling the upper grade levels through much more effective retention. Kindergarten enrollments, while up, have increased less than the other grades. As the large Kindergarten sections of the past have moved through the system, enrollment growth occurred naturally. This growth is ending because the last small eighth grade class is graduating.

To plan for the future, analysis of enrollment by church, geographic area and other factors should be constantly monitored to insure that we can proact to any emerging trends. If retention is more difficult in the upper grades, determine what can be modified to retain these students. Kindergarten enrollment should be studied each year to determine if Park should go to three sections. The long-term trend in Kindergarten becomes critical in the overall management of enrollment. Further, make enrollment projections for each grade for the next five years, using the public school information. Utilizing "what if" scenarios, forecast realistic projections and determine the impacts on capacity and budgets.

**Time line:** Tasks 1, 3, and 4 should be completed during the 1994-95 school year. Task 2 should be completed for the 1995-96 Handbook. Task 5 should be completed during the fall of 1994. Tasks 6 & 7 are ongoing.

**Responsibility:** Tasks 1, 3 and 4 are the responsibility of the Administrator and teachers. Task 2 should be completed by the Administrator and administrative staff. Task 5 is the responsibility of the School Board. Tasks 6 and 7 are the Administrator's.



## Strategy 7: Marketing program

**Rationale:** Existing marketing is strong, but it is also the link to our customers, and therefore, should always receive a major focus. Many of the people doing the marketing, such as office staff, have outstanding abilities, but have no formal training in marketing.

### **Implementation:**

1. Conduct marketing research to identify customer and non-customer perceptions of Park. There could be substantial savings if Park worked with other private schools such as Grace, Oak Grove, or the Catholic School System.
2. Conduct marketing research of graduates to determine their reaction to Park after several years in High School.
3. Continue developing the literature for upper grade levels. Because of the unique marketing situation at this level, special marketing programs are likely required.
4. As is currently being done, use an advertising agency when possible to develop brochure copy and concepts.
5. Provide marketing training to Admissions Counselor and Development Coordinator.

6. Provide training for office staff in desk top publishing, writing, and layout to create an even more effective newsletter and other communications to parents.
7. For admissions activities, develop a strategic marketing plan which identifies tasks to complete each year, and assigns responsibility for completing each.
8. Review literature display areas in each church to determine condition and possible improvements. Would wall hung units improve display and be approved by churches? Apparently, this is in process by Board members at the present.

**Time line:** Tasks 1 and 2: Start with one project during the 1994-95 school year and develop an ongoing research program when free research is available. Tasks 3, 4, and 7 should be addressed during the 1994-95 school year. Tasks 5 and 6 can be handled during the 1994-95 school year and task 8 is ongoing.

**Responsibility:** Tasks 1, 2, 3, and 4 should be handled by the Administrator and the Admissions Counselor. A consultant could help with 1 and 2. Tasks 5 and 6 should be handled by the Administrator and the individual involved. Task 7 should be handled by the Admissions Counselor and task 8 by the Admission Counselor and Board.

## Strategy 8: Facilities

**Rationale:** Because Phase II of the capital campaign is currently in progress, specific strategies for facilities cannot be fully developed, but should be reviewed as the results of the campaign become known. The success of the campaign will determine the strategies which can be implemented.

### **Implementation:**

1. Because of the increase in enrollment, the building needs for improved gym facilities, restrooms, and dining area will be stretched beyond capacity during the 1994-95 school year. Teachers and staff are already incurring additional stress because of the crowded conditions. Therefore, it is a priority to proceed on the addition as soon as it is financially feasible. In designing the new facility, it is vital to have substantial teacher input because they know what is needed, and they have to deal with any design errors.
2. At this time, all classrooms are in use, and there are no undeveloped areas to convert into classrooms. While construction of additional classrooms is probably four or more years away, it is critical to start planning for additional space at this time. In the meantime, alternatives for space should be explored.
3. Office equipment, such as computers, is currently inadequate. It is essential for Park to immediately begin acquiring the necessary equipment.

Since the biggest need is probably computer, Park should identify a system which will last for many years and then start purchasing the individual components. It is likely that a networked system is necessary.

4. Interior and exterior maintenance and improvements such as carpeting, parking lot improvements, landscaping, and playground equipment will become a regular expense as the building and grounds age. To prevent surprises and negative budget impacts, all anticipated maintenance needs for the next five years should be identified, and priorities established.

**Time line:** Tasks 1 and 2 do not have a time line. Tasks 3 and 4 should be completed as soon as possible, and before the end of 1994.

**Responsibility:** Tasks 1 and 2 are the responsibility of the School Board, Finance Committee, and Administrator. Task 3 includes the Administrator and Finance Committee. Task 4 involve the Finance Committee.

## Strategy 9: Finances

**Rationale:** Park's financial stewardship has been outstanding during the past several years. Therefore, the situation appears very rosy, especially as a result of the success of Phase I of the capital campaign. But while the situation is very positive, normal operations will force Park to conduct an ongoing development program.

### **Implementation:**

The following strategies have been developed by members of the Finance Committee:

1. Launch a gap or Phase III capital campaign to fund the annual operating needs which are not met by tuition and fees for 1995-96 and future years.  
  
Given the transitional state of the development effort, appropriate personnel need to be hired and effective planning initiated in the near future.
2. While existing accounting practices are adequate, the following can improve overall performance:
  - Bank accounts could be consolidated to allow fewer reconciles and better investment potential.
  - Monthly financials could include payables to provide better information regarding cash flow.

To assure that funds are credited to the correct account, the automated development system should be reconciled monthly to the financial system.

The financial processes in the business office and development should be integrated better. Further, admissions needs to be informed when payments are received for new enrollments, and the business office needs to be advised to bill new students.

3. Financial information provided to the School Board: The Board currently receives monthly statements and a cash report monthly, but these should be replaced by the balance sheet of the School. All Board financial decisions, should include both a request for funds and the overall financial impact of the decision.
4. Lines of communication should be improved between Finance Committee, School Board, Development, Administrator, Strategic Planning, Facilities, Curriculum and Administration. This is most critical within the budgeting process, which should include input from the above and teachers.
5. Finance Committee operations: Strategy 3 discusses School Board operations and some concepts are transferable to the Finance Committee. Further,

Training should be provided regarding the information presented to the Finance Committee and how the information can be interpreted.

Preliminary budgets should be available to Committee members in advance of significant financial decisions (tuition rates and teachers salaries).

The role of the Finance Committee needs to be clearly defined to utilize the depth and expertise of Committee members. The level of involvement in developing budgets should be reviewed, and specific roles identified.

6. Finance Committee composition: Generally, committees are designed to provide wealth, wisdom, and work. At this time, the composition of the Finance Committee does not appear to include enough individuals that have access to the wealth within the community.

**Time line:** Task 1 must be completed by October 31, 1994. Task 2, 3, 4, 5, and 6 should be considered during the fall of 1994.

**Responsibility:** Task 1 is the responsibility of the School Board, Finance Committee and Administrator. Tasks 2 and 3 are the responsibility of the Finance Committee, Administrator, School Board, and Larson Accounting. Tasks 4, 5, and 6 are the responsibility of the Finance Committee and the School Board.

Table 46: Suggested time lines and responsibilities to complete strategies and tasks					
Strategies and tasks	Time line for completion	Responsibility to complete task			
		School Board	Administrator	Teachers	Others
Strategy 1					
Task 1	Ongoing		X		
Task 2	1994-95 school year		Committee		
Task 3	1994-95 school year	X	X		Consultant
Task 4	1994-95 school year	X	X		Consultant
Task 5	Ongoing				Office staff
Task 6	1994-95 school year		X		
Strategy 2					
Task 1 & 3	Ongoing	1 Board member			
Task 2	1994-95 school year	X			
Task 4	1994-95 school year		X	X	
Task 5 & 6	Ongoing	X			
Strategy 3					
Task 1, 2, & 5	1994-95 school year	X			Consultant
Task 3, 4, & 7	Start August 1, 1994	1 Board member	X		
Task 6	Fall of 1994	X			
Strategy 4	September 1, 1994	X	X		
Strategy 5					
Task 1 & 2	Ongoing	X			Finance committee
Task 3	1994-96 school years		X		Person in position & consultant
Task 4	Fall 1994	X	X		
Task 5	1994-95 school year	X	X		
Task 6	1994-96 school years		X	X	
Strategy 6					
Task 1	1994-95 school year		X	X	
Task 2	Before 1995-96 handbook		X		Office staff
Task 3 & 4	1994-95 school year		X	X	
Task 5	October 1994	X			
Task 6 & 7	Ongoing		X		
Strategy 7					
Task 1 & 2	When available for free		X		Consultant & Admissions Counselor
Task 3 & 4	1994-95 school year		X		Admissions Counselor
Tasks 5 & 6	1994-96 school years		X		Individual involved
Task 7	1994-95 school year				Admissions Counselor & consultant
Task 8	Ongoing	X			Admissions Counselor
Strategy 8					
Task 1 & 2	No time line	X			Finance Committee
Task 3	As soon as possible		X		Finance Committee
Task 4	1994-95 school year				Finance Committee
Strategy 9					
Task 1	Immediately	X	X		Finance Committee
Tasks 2 & 3	Fall of 1994	X	X		Larson Accounting
Tasks 4, 5, & 6	Fall of 1994	X			Finance Committee



## Appendix 1: Caleb Report

Park teachers completed Caleb, or vision, statements revealing what they believed Park could become. Following is a summary of their responses.

### A. Description of Park Christian School atmosphere

"God is in control. He has the plans. He will go before us -- wait on Him. Be of good cheer. Be an overcomer. This is His school. His Name will be lifted high. Come before Him with praise and worship. Obstacles will be overcome. He will bring victory."

I see God's people, carrying out God's plan

Needs being met

God's love and care has formed a loving, caring, praying, family

Faculty and staff strong role models for students, encouraging

Respect for quality education

Continue a strong standard of teaching from God's Word

To always remember and humbly appreciate the awesomeness of God's provision to Park

2 Park atmosphere will be warm, serious, but joyful, openhearted, inclusive of differences

Where Jesus is always kept in first place

School with strong trust in, and dependence on, God

2 Where people support one another in prayer

Families continue to know one another, even with growth

Communication between administration, faculty and parents with Jesus' love and compassion

Many children going on to the mission field

2 Children grown to be true disciples of Christ and lights in the world

Students would all accept Jesus as Lord and Savior before leaving

Students with effective Biblically-based decision-making skills

Students who become tomorrow's leaders

2 Additional sponsoring churches with stronger church support base

- stronger network of people within sponsoring churches

- developed CAP program

3 High parent involvement

- School -PTF -Activities -Prayer support

- Volunteer efforts -Volunteer coordinator

3 Increased enrollment

Active and enthusiastic Alumni Club

A developed network of professional services: counselors, pastors, consultants, architects, lawyers, doctors, etc.

A strong Board with varied professional background and specific portfolios

## **B. Staff**

### **1. New positions:**

2 Principal for teacher support and evaluation

7 Working with special needs children (gifted, ld, etc)

6 Full-time Counselor or Family Therapist

4 Full-time paid school librarian

4 Two janitors (staff of janitors with pagers)

Janitorial service everyday

Evening custodian to supervise evening use of building

Computer instructor

Chaplin to coordinate chapel & oversee Bible curriculum and  
spiritually challenge students and staff

PE teachers (at least 2)

Recess supervisor

Mechanic for buses

Volunteer or paid Teacher's Aide staff

Health technician on staff

Full-time art teacher for expanded art program

An aid for each department

Staffing for a 9th grade

## **2. Staff development:**

Ongoing staff development

PCS staff utilized to full potential working in unity

Teacher specialization

Spiritual and intellectual growth & physical blessings for  
teachers and staff of PCS

More planning time for teachers during the day

### **C. Outreach to the community**

PCS Consulting Services well-known for quality of program and resources  
available for other Christian Schools

A resource for all community families

Community education programs offered to adults in evening at school

Tutoring classes held at PCS in evening

3 Higher community awareness

A "safe" place for children

5 Testimony to community of interdenominational unity

2 Bring educational leadership to area -educational speakers to encourage  
the entire FM area in walk with God

### **D. Computerization**

2 Computer generated report cards (including attendance)

Computerized library card catalog with access to local libraries

CD ROM equipment

Computerized class scheduling

Computerized milk, juice and lunch count system

Newsletter and events on phone access recording

Larger, better-arranged computer lab

Networked office computer equipment with modem access

Multimedia computer system for library and computer classes

2 Office computers for each with network

Hook up with Denise's computer with her eventually in office

Functioning computer in every classroom

## **E. Equipment**

Newer buses with automatic shifts

LCD screen for use with computer and overhead projector

2 Overhead projectors and screen in every room

Intercom in every room

## **F. Finances**

Our own finance department with fully trained staff

7 More equitable (big raise) pay scale for teachers/staff

2 Adequate scholarship funds for needy families

2 Reach capital campaign goal and beyond

Unlimited classroom funds

Our financial needs met so we can give to those in need

Endowment- enough to give \$60,000 in scholarships without touching  
budget

Finances for staff development courses

Continued financial blessing

Raising money to ease burden of tuition

## **G. Facilities**

### **1. Building:**

7 New classrooms or buildings

Large music room

Bus barn large enough for all buses equipped with mechanics

Air conditioning in all areas to use school in summer

10 New gym

- Staging with curtains

- Locker rooms

- 2 Bleachers

- 2 Attached kitchen/cafeteria, with serving windows

- Big

2 School cafeteria area

- Magnetic cards instead of hot lunch tickets

4 Kitchen

- 2 Fully equipped and licensed with staff

- Completely new, range and sink included

Library improvements

- Computerized

- CD Rom Equipment

- More reference and research materials

- Adult/parent section for checkouts by PCS parents

- Staff development video library

- Video library for curriculum areas

Office space

- 2 Expanded office space for administrative staff with cabinets and storage

Room for a PE teacher with phone

## **2. Outdoor facility:**

School grounds have been improved aesthetically with shrubs

Increased surfaced parking area

5 Expanded playground area with athletic fields developed

2 Playground equipment

Burlington Northern field donated to PCS

Track

Football field with bleachers

Baseball diamond

## **H. Expansion**

2 Add 9th grade

3 A more defined Junior High setting -- separate

6 Add 9 through 12

4 Preschool with equipment

2 Two Kindergarten sections

Three sections for each grade level

Cap class size at 20 or little more

Longer class periods: 45-50 minutes

Latchkey programs

After school programs (Odyssey of the Mind/Language)

Vacation/ day camp programs

Junior High Music Program

Expanded extracurricular activities: drama, speech, computer, math,  
science, video, art, foreign language

Expanded music program, including student performance

Broadened areas of bussing in community

Junior High and Senior High fall retreat to challenge students and develop  
relationships for the coming year

Mr. Norton serving as Superintendent to:

A main administration building

Four satellite schools, each with an Administrator and

Principal in:

Grand Forks

Bismarck

Sioux Falls

Fergus Falls

The present staff of PCS is now distributed between the four  
campuses mentoring and discipling the younger teachers. Teachers  
for these schools are chosen on their growing spiritual lifestyle,  
rather than the fact they are Christians.



## Appendix 2: Suggestions to Enhance Park Handbook

1. Grading system including a clear definition of each percentage and letter grade; outline of grading scale; well-defined grading system for each subject, and for each grade level.
2. Definition of child abuse, and Park's behavior policies clearly defining rules for all students at each grade level.
3. Immunization policies according to law. List of communicable diseases, including normal contagion periods common to school children from the Communicable Disease Regulations, Fargo Community Health Center.

Disaster emergency procedure to make parents aware of our plans.

Special services, procedures for admission or transfer out, and definition of acronyms.

Purpose of standardized testing, dates to be administered, specific tests administered at each level, and use of test results.

Active role of parents in child's education, including ways they can help their child be successful.

Review Handbook for inappropriate gender-specific pronouns (for example: see Mission Statement of PTF).

## Appendix 3: Ideas to Create Junior High

Several teachers brainstormed ideas to enhance the Junior High program. Following are the results. Please note that these are brainstorm results and have not been refined or evaluated for overall integration into the Park program.

1. Create an area primarily for the Junior High. This separation would eliminate the disruption the students cause as they pass between classes. This location would also be an excellent spot to add a set of bathrooms, to be used only by these students.
2. Schedule a different chapel time which would be targeted specifically for this age. Possible speakers may include Christians from various careers or athletes who would give a testimony of faith and encouragement. The final outcome should be consistent with the decision for chapel at Park.
3. Morning and afternoon announcements would be a benefit to the staff and students. The Junior High students could collect announcements from teachers at the beginning of the day and broadcast them over the intercom system either a few minutes before school begins or a few minutes before dismissal. This would encourage unity and promote a sense of School spirit and pride in fellow students. Important items which could be included:

Begin or end with prayer for entire School or Junior High

Short scripture verse for the day

Announce any special events for the day and after school events

Congratulate people who have accomplished something for Park

### Today's birthdays

4. Student Council representation to allow the students to voice ideas on various issues.
5. More options for elective classes within the constraints of facilities and funding. These may include such things as home economics and shop/woodworking/crafts, which are life skills. Debate, speech, Math Challenge, Inventor Fair and other academic programs could also be considered. These could be offered on a weekly, or one week a month basis, whichever would be the easiest.
6. Extra responsibilities or privileges offered only at this level.
7. More/different sports such as football (with another school), tennis, soccer, baseball. Some of these activities would need to be parent directed, but would allow the students a broader option.
8. Separate bathroom facilities from younger students.
9. A Principal designated especially to deal with the Junior High needs.
10. Social functions for Junior High only. Possibilities may include: skiing, bowling, lock-in, or a back-to-school retreat with a strong spiritual and relational emphasis.
11. Organized clubs, such as speech, drama, or science. These could be teacher and/or parent directed activities.
12. Optional work-study program for those who need a small tuition break. Services could include vacuuming of classrooms, general cleaning of the building or grounds surrounding, taking down or setting up chairs, etc.

## **Appendix 4: Aspen Brochure**

# BOARD & ADMINISTRATOR

For Board Members

June 1994

Dear Nonprofit Board Member,

Here's a **pop quiz on board teamwork**. Pick the description below that **best** fits your board:

- A) Consensus is easily reached.
- B) Each item is discussed at length, sometimes resulting in loud disagreement.
- C) Several factions fight over every issue.

If you chose B or C, your board

isn't a team. In my experience, these two statements accurately describe how many boards act. For the best possible board team, you should strive for option A. Here's one good way to get there...

Board Member Peggy Schantz tells me that **the board team is only as strong as its committees**. "The path to an effective board team is for board members to study issues in committee and then make recommendations to the full board," she says. Schantz is right on the money. Committees let members work in small, less-structured groups that quickly bond and allow for speedy consensus on issues.

**The committee structure fosters sound decision-making on the full board.** When members work well together at the committee level, they're more likely to do the same at board meetings.

"Teamwork is essential. The best way to develop it is to appoint members to serve on committees—then let them develop trust, confidence and respect in one another at that level. Once they're working well together in committees, teamwork in the board room follows naturally!"

## Get your board team to work better

To prevent problems that can undermine the effectiveness of your board team, the Board Doctor offers these suggestions:

### 1) Identify each board member's personality traits.

Individuals with overbearing personalities may get in the way of effective teamwork. Consider the balance of personalities when electing new members and forming committees.

### 2) Make every effort to respect your board peers.

Displays of disrespect and rudeness in the board room can easily and permanently scar the board team.

### 3) Realize that your view won't always prevail.

No matter how strongly you feel about an issue, if the majority opts for a different view, accept it and support it.

## Advice for new board chairpersons: Manage those meetings!

Nonprofit Board Chairperson John Donohue says that many responsibilities go with the top board leadership position. But none is more important than **knowing the mechanics of the board meeting**.

Here are six board meeting tips he says chairpersons ought to keep in front of them at all times...

### 1) Prepare yourself for handling complex issues.

"The board

chairperson must understand every difficult issue the board faces," says Donohue. "By working closely with the executive director and doing a lot of advance preparation, I'm able to keep a firm hand on topics that by nature are pretty sticky."

### 2) Create a comfortable board room setting.

"The right environment sets the tone for effective meetings," adds Donohue. "So place a pad and sharp

pencil at every chair, along with fresh copies of the agenda and minutes of the previous meeting. When members arrive and take their seats, they'll be ready to go. You might even want to arrange with your administrator to provide refreshments.

**3) Don't drop any surprises on board members.** "Handing a report to members at a meeting and asking them to read it and make an on-the-spot decision, is a no-no," he says. "Board members need time to digest information before they can form opinions. Hasty, ill-informed decisions never help any nonprofit."

**4) Involve as many members as possible.** "Board members want to feel needed. That's why I invite as many as possible to give brief reports at meetings. This keeps them from just sitting there—watching the clock."

**5) Focus board members on the agenda.** "One big problem at board meetings is when the socializing aspect of discussion gets out of hand. While impor-

tant, once the meeting is under way, comments not related to the agenda should be minimized. We're busy people, and we want to accomplish the meeting without wasting time."

**6) Talk privately with board members who have a meeting problem.** "If I think board members are unusually quiet—or garrulous—I take note of this," says Donohue (Orinda, CA). "These individuals may feel alienated from the rest of the board or think their opinions are being ignored. After the meeting, I visit with them to draw their problems or concerns out on the table. Talking about them usually gets the members back on track for the next meeting."



Board Chairman  
John Donohue

## ***The board member job description should include these duties***

Have you ever wondered *what board members are charged to do*—other than govern and make policy? Here are three responsibilities Board Member Nancy McFarland says should be included in every member's job description...

**1) Plan for the growth and future of the nonprofit.** "While the executive director is hired to take care of day-to-day decisions, board members should play a major role in making sure that finances, staff and equipment are sufficient to run a smooth operation," says McFarland (Jonesboro, AR). "Sure, the executive director leads the board in this role, but he or she won't always be around—so planning for growth and future needs must be a board priority."

**2) Speak on behalf of the nonprofit.** "Who does the organization touch? Who doesn't it reach? These are the

questions you need to ask yourself," says McFarland. "Board members are the nonprofit's biggest advocates and should use their connections to spread the good word about what the organization does."

"For example, I'm on my church's social justice committee. Through that group I provide information about my nonprofit's services. In addition, I make sure my church keeps a supply of our brochures available for parishioners who may need our help."

**3) Be an active fund raiser for the nonprofit.** "As a board member, I'm aware of the financial needs of this organization," she adds. "It's easy to see how additional monies can help our programs and services. I play an active role in fund raising events and in brainstorming other ways to increase our budget. Board members who participate at this level are an invaluable asset to the nonprofit."

Sincerely, Chuck Elliot  
The Board Doctor®  
(and board member!)

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## **Appendix 5: Job Description From Moorhead High School**

# MOORHEAD SCHOOLS

## JOB DESCRIPTION

<b>BAND</b>	<b>GRADE</b>	<b>SUBGRADE</b>	
<b>JOB TITLE TEACHER</b>	<b>DEPARTMENT</b>		<b>DATE</b>
<b>IMMEDIATE SUPERVISOR:</b>  PRINCIPAL			
<b>JOB SUMMARY:</b>  The certified teacher develops lesson plans, conducts classroom instruction, evaluates and assesses both instructional material and student performance. The incumbent meets with parents, interprets student progress, and informs parents about student strengths, weaknesses and/or programs.			

TASK NO.	ESSENTIAL DUTIES	FRE-QUENCY	BAND/ GRADE
1.	Develops and plans instructional activities, lesson plans and/or individual educational plans.		
2.	Conducts classroom instruction based on established lesson plans or instructional units. <ul style="list-style-type: none"> <li>* Develops and decides on methods, approaches and instructional aids to present material;</li> <li>* Evaluates and assesses student performance against lesson plans, need for re-instruction, or need for new approaches;</li> <li>* Reinforces material previously presented in the classroom;</li> <li>* Researches topics, materials and information to improve instructional material and information.</li> </ul>		



TASK NO.	ESSENTIAL DUTIES	FRE- QUENCY	BAND/ GRADE
3.	Monitors student performance and behavior. Decides if student behavior is appropriate and how to deal with behavior problems.		
4.	Participates in parent/teacher conference. Interprets student strengths, weaknesses and/or problems that a child may be experiencing in the classroom.		
5.	Collaborates with other staff in evaluating individual student problems, approaches to instructional units, and new teaching technologies or procedures available.		
6.	Develops student tests and evaluates results. Determines student grades for instructional units.		

**MINIMUM QUALIFICATIONS:**

B.A./B.A. in education. Teacher's Certificate in related areas of instruction.

**PHYSICAL ACTIVITY/REQUIREMENTS:**

To perform the essential functions of the job, the incumbents must be able to perform the following:

Talking, hearing/listening, and seeing/observing.

Sedentary work: Exerting up to 10 pounds of force occasionally and/or an eligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects including the human body. Sedentary work involves sitting most of the time. Jobs are sedentary if walking and standing are required only occasionally and all other sedentary criteria are met.

## **Appendix 6: Employee Evaluation Form**

**From Moorhead State University**

## PERFORMANCE REVIEW

In compliance with Minnesota Statutes, Chapter 13.04, Subd. 2, we are informing you that the information collected through the use of this form will be used to document your performance on an annual basis. The information may be used in decisions concerning advancement, reassignment, future training needs, performance-related salary adjustments, and as evidence in contested disciplinary actions. It is legally required. Without it, there is no objective data on which to evaluate performance; therefore, no performance-based salary increases will be granted. This information is available to you, your supervisor, personnel director, and other employees in your agency whose job assignment requires access.

EMPLOYEE'S NAME		AGENCY/DIVISION	
CLASSIFICATION TITLE		WORKING TITLE (if different)	POSITION CONTROL NUMBER
APPRAISAL PERIOD	to	DATE PERFORMANCE INDICATORS ESTABLISHED	DATE REVIEWED WITH EMPLOYEE

**A. EVALUATION OF RESPONSIBILITIES** identified in the employee's position description. Rate each principal responsibility using the appropriate evaluation factors of quantity, quality and time. If a factor is not included in the employee's performance indicators or is inappropriate for measuring the employee's performance of a given responsibility, cross out that factor. Use the **COMMENTS** section to support and/or qualify your evaluation. Comment (justification) must be given when either "Below Standards" or "Greatly Exceeds Standards" is used.

RESP. or OBJ. No.	PRIORITY	% OF TIME	EVALUATION FACTORS (Use only those that are appropriate)	LEVELS OF PERFORMANCE					COMMENTS
				Below Standards	Minimally Meets Standards	Fully Meets Standards	Exceeds Standards	Greatly Exceeds Standards	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	
			QUANTITY	( )	( )	( )	( )	( )	
			QUALITY	( )	( )	( )	( )	( )	
			TIME	( )	( )	( )	( )	( )	

**B. ADDITIONAL COMMENTS AND CONCERNS** to be considered in the performance review. Add anything that is relevant to the employee's performance not included in Section A.

**C. OVERALL PERFORMANCE LEVEL OF EMPLOYEE.** Check appropriate statement below. Consider all data in Sections A and B.

Performance is outstanding. The employee's achievements and contributions consistently exceed standards, expectations and requirements.

Performance is above expectations. The employee typically performs at a higher level than the job requires.

Performance is satisfactory. The employee meets job requirements and expectations.

Performance is marginal. The employee meets some, but not all job requirements and expectations. Improvement is necessary.

Performance is unsatisfactory. The employee does not meet job requirements and expectations. Substantial improvement is needed to justify retention in the position.

**D. POSITION DESCRIPTION REVIEW** is to be completed each year. Description should be revised if the position changes (need not be rewritten each year). The position description must be entirely rewritten every three years. A copy of the employee's revised or rewritten position description should be submitted to the agency's personnel office with a copy of the review form.

The current position description is:

- ☐ an accurate reflection of the current responsibilities and performance standards.
- ☐ revised to reflect changes in the position.
- ☐ rewritten because it is three years old.

**E. EMPLOYEE COMMENTS AND CONCERNS** (Employee is encouraged but not required to comment on appraisal and performance.)

**SIGNATURE OF RATER** (I have completed the above evaluation)

Date

**SIGNATURE OF EMPLOYEE** (I have read the above evaluation)

Date

**SIGNATURE OF RATER'S SUPERVISOR** (I have reviewed and concur with the above evaluation)

Date

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